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Fiscal Year 1990

101st CONGRESS, FIRST SESSION

H.R. 3072

PART 1 (Pages 1-104)
NATIONAL SECURITY

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S. Hrg. 101-149 Pt. 1

DEPARTMENT OF DEFENSE APPROPRIATIONS FOR FISCAL YEAR 1990

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE

COMMITTEE ON APPROPRIATIONS

UNITED STATES SENATE

ONE HUNDRED FIRST CONGRESS

FIRST SESSION

ON

H.R. 3072

AN ACT MAKING APPROPRIATIONS FOR THE DEPARTMENT OF DEFENSE FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 1990, AND FOR OTHER PURPOSES

PART 1 (Pages 1-104)

NATIONAL SECURITY

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DEPARTMENT OF DEFENSE APPROPRIATIONS FOR FISCAL YEAR 1990

WEDNESDAY, MAY 10, 1989

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 2 p.m. in room SD-138, Dirksen Senate Office Building, Hon. Daniel K. Inouye (chairman) presiding.

Present: Senators Inouye, Bumpers, McClure, Kasten, and D'Amato.

DEPARTMENT OF DEFENSE

FOREIGN POLICY CONTEXT OF DEFENSE APPROPRIATIONS

STATEMENT OF HON. ROBERT M. KIMMITT, UNDER SECRETARY OF STATE FOR POLITICAL AFFAIRS

OPENING STATEMENT OF SENATOR INOUYE

Senator INOUYE. The subcommittee will please come to order.

This afternoon the Subcommittee on Defense Appropriations will receive testimony from the Under Secretary of State for Political Affairs on the foreign policy context of defense appropriations.

It may strike some people as somewhat unusual for the Subcommittee on Defense to be hearing testimony from the Department of State. But to my mind it is fitting for this subcommittee to examine defense appropriations in the context of the foreign policies or, perhaps better stated, the national security policies which appropriations for the Defense Establishment are intended to serve.

I have no expectation that today's hearing will immediately reorder the way appropriations for defense are considered. However, it is my hope that this hearing, which should be viewed as exploratory in nature, will begin the process of generating sufficient interest in both the Department of State and the Department of Defense to further a dialogue which both presents and examines defense appropriations in the larger national security context.

I believe that to present requests for defense appropriations or to consider individual weapons systems or force structures without reference to the ends they are intended to serve is to rob them of any intelligible meaning. Today we can begin a process which places these elements of military policy in the national security context. We can begin to examine them along with the other elements of the economic and foreign policy considerations which comprise that national security context.

That defense policy should be considered in such a way was, I believe, the intent of the National Security Act of 1947, which created what was then known as the National Military Establishment and what came to be known as the Department of Defense.

Our witness today is the Honorable Robert M. Kimmitt. He is someone whose career I have followed for a number of years. For that matter, I have followed the careers of family members for many years. He has filled increasingly more responsible positions in government and is regarded as a superb professional who brings a pragmatic outlook to the task of governing. I regard him as eminently qualified to speak to the important issues we shall address this afternoon.

So with that I welcome you, Mr. Secretary. We have received and reviewed your statement. As always, it will be placed in the record in full and I shall just leave it up to you as to how you wish to make your presentation. Welcome, sir.

Mr. KIMMITT. Thank you, Mr. Chairman, both for that welcome and your kind words. I do have a brief opening statement that will draw from my complete statement. I would appreciate your entering the complete statement into the record.

STATEMENT HIGHLIGHTED

Mr. Chairman, your years at the helm of the Foreign Operations Subcommittee, where we had an opportunity to work together quite frequently, I think gave you a unique appreciation for the resources needed to conduct an effective foreign policy. The defense budget is also integrally related to that task, and thus I appreciate the opportunity to appear before you today to talk about the implications for U.S. foreign policy of decisions on the defense budget.

I think it is important that the administration and the Congress work together to ensure that budget decisions are made in a manner consistent with our national interests, and today's hearing provides an opportunity to continue that mutual effort.

NATIONAL SECURITY DEFINED

Our Nation's military capabilities have been significantly and necessarily strengthened over the past decade. A strong defense remains of vital importance for the protection of the United States as a free nation and it symbolizes our ability and resolve to protect this freedom. A strong defense, supported by a sound economy, healthy alliances, and active diplomacy, all supported by adequate intelligence capabilities, form the foundation of our national security.

I think, Mr. Chairman, you are correct to point to the National Security Act of 1947, which really brought together those four elements of foreign, defense, international economic, and intelligence policy into that integrated whole that we consider national security to be.

CHANGES ABROAD NECESSITATE ADJUSTMENTS

We now face new challenges as well as new opportunities resulting from significant changes in the international environment. The most notable of these are the diffusion of economic, political, and military power, advances in technology and communications, the spread of democratic and free market ideals, and the wide-ranging changes being pursued by Mr. Gorbachev.

Our plans and policies must be adjusted to these changes abroad, as well as to the economic and fiscal realities at home. America's leadership has set many of these changes in motion. Our support for nations who share our commitment to democracy and our respect for human dignity has been a positive force in creating the conditions for peace and prosperity.

Our diplomatic efforts, backed by military strength, have led to real possibilities for resolving some of the more pressing regional conflicts as well as for making progress on security and arms control issues.

Our defense efforts and our foreign relations are thus closely interwoven and, given budget limitations, we must strive to maintain our political and military effectiveness at a time that we also need to make necessary adjustments to our governmental expenditures.

To ensure not only our own continued growth and safety but the growth and safety of the world, the United States must be prepared to maintain and project a strong diplomatic, economic, and military presence in those areas of the globe where we have important interests. We believe that the combined efforts of Congress and the Administration will ensure that the United States has the ability to achieve this important goal.

Again, I appreciate the opportunity to be before you today in your new capacity and my new capacity. I look forward to both beginning this dialogue and continuing it. Thank you, sir.

[The statement follows:]

STATEMENT OF HON. ROBERT M. KIMMITT

Mr. Chairman, members of the Subcommittee:

Mr. Chairman, your years at the helm of the Foreign Operations Subcommittee gave you a good appreciation for the resources needed to conduct an effective foreign policy. The Defense budget is integrally related to that task, and thus I appreciate the opportunity to appear before the subcommittee to talk about the implications for U.S. foreign policy of decisions on the defense budget. I would ask that my complete statement be entered into the record.

We appreciate the Subcommittee's interest in the relationship between foreign policy and the defense budget. The Administration and Congress must work together to ensure that budget decisions are made and implemented in a manner consistent with our national interests and our security objectives. The key to minimizing problems lies in assessing throughout the process the implications for foreign affairs of budget decisions.

Our nation's military capabilities have been greatly and necessarily strengthened over the last decade. A strong defense remains of vital importance to the United States and our allies, and symbolizes our nation's ability and resolve to protect our freedom. A strong defense, supported by a sound economy, healthy alliances and active diplomacy, all underpinned by adequate intelligence capabilities, form the foundation of our national security.

We now face new challenges as well as new opportunities, resulting from profound changes in the international environment. The most notable of these are the diffusion of economic, political and military power, advances in technology and communications, the spread of democratic and free market ideals, and the Gorbachev phenomenon. Our plans and policies must be adjusted to these changes abroad, as well as to the economic and fiscal realities at home.

America's leadership has set many of these changes in motion. Our support for nations who share our commitment to democracy and respect for human dignity has been a positive force in creating the conditions for peace and prosperity. The renewed vigor of the Western Alliance has become an example and a guide for continued progress, and the changes we now see in the Soviet Union and other countries are in part a reflection of conditions we have helped to shape.

Our diplomatic efforts, backed by military strength, have led to real possibilities for resolving some of the more pressing regional conflicts, as well as for making progress on security and arms control issues. The situation presents us with great opportunities, and the Administration is in the midst of a comprehensive national security review that is designed to assess the changing security environment. This review will ensure the integration of our diplomatic, military and economic instruments into a cohesive strategic approach to U.S. foreign and defense policies.

Our defense efforts and our foreign relations are thus closely interwoven, and I would like to comment briefly on how the defense budget and US foreign policy relate in several areas: dealing with the Soviet Union, security cooperation with friends and allies, strategic arms and arms control negotiations, and deployments or exercises abroad.

DEALING WITH THE SOVIET UNION

U.S. military strategy has long been based on collective security, deterrence, forward defense and flexible response. This defensive strategy has been designed to counter a massive and global Soviet military threat. Recently, we have seen signs of possible change in the Soviet reliance on the threat or use of military force to promote its objectives, and a lessening of its previous emphasis on class-struggle in international relations. We hope that the promised reorientation of Soviet policy and doctrine results in changes in the size and structure of Soviet military forces that reduce the threat they pose to our national interests.

It would be premature, of course, to regard the threat as substantially reduced. To be sure, the Soviet Union has announced cuts in manpower and conventional forces, lower levels of defense spending, and it is eliminating INF missiles in accordance with the INF treaty. Nevertheless, the Soviets continue to modernize their strategic nuclear forces with new classes of missile-carrying submarines, strategic missiles and long-range bombers. Their conventional force of modern armored vehicles, artillery, and tactical aircraft remains the largest in the world with four and one-half million troops under arms. Over the last decade, the Soviet Union has greatly enhanced its capability to insert military forces rapidly in remote areas of the globe. The Soviets recently unveiled the largest military transport aircraft in the world, and the first of a new class of large aircraft carriers is nearing completion. While the announced intentions of Mr. Gorbachev to reduce the military strength of the Soviet Union are laudable, we have not yet seen these announcements translated into significant changes in the capabilities flow from the Soviet military force structure.

On the regional level, the Soviets appear more open to negotiated solutions to some conflicts and are more aware of the costs of continued expansion. However, they still provide arms and maintain intelligence connections with clients whose commitment to the norms of international behavior are suspect. The sale of long range SU-24 bombers to Libya is one example. Soviet supplies to Nicaragua, Angola and Cuba have remained at high levels, and Soviet military deliveries to Libya, Afghanistan and North Korea have increased.

As you know, Secretary Baker is in Moscow today and tomorrow for meetings with the Soviet leadership. These meetings are part of a long-term effort to address the many differences between the U.S. and the Soviet Union over such critical issues as arms control, regional conflicts, human rights and bilateral and transnational issues. We are deeply aware that this is a time of great opportunity to deal with these problems. President Bush and Secretary Baker are determined to seize these opportunities. A strong defense and vigilance in safeguarding our interests are crucial to the effort to build a more cooperative East-West relationship.

NON-SOVIET THREATS

Although we appear to be on the verge of resolving some of the more troubling regional conflicts of the last decade, the potential for conflict in politically unstable regions remains high, and in some cases is increasing. Certain regional military powers, whose forces are armed with increasingly sophisticated weapons, pose a threat to their immediate neighbors and, to a lesser degree, the security interests of the U.S.

Examples of such regional threats are, unfortunately, plentiful. In the Middle East, Iraq has emerged from the Gulf war with larger, more modern forces and increased political aspirations. Iran remains unpredictable, and continues to support international terrorism. Chemical and ballistic missile proliferation—in Libya, Syria, Iran, Iraq, and elsewhere—and the danger of nuclear proliferation, are growing threats. Peace remains but a distant hope for Lebanon, while the basic dispute between Arabs and Israelis continues to resist solution. In South Asia, confrontation between neighboring states remains possible. In Central America, although there are encouraging diplomatic developments, the potential for Cuban and Nicaraguan subversion that could damage prospects for a diplomatic solution remains of concern to the U.S. Ongoing conflicts in Cambodia, Ethiopia, Sudan and other areas in Africa and Asia continue to exact an enormous human toll and perpetuate regional instability.

Given these regional tensions, the U.S. will for the foreseeable future need the ability to project military power to protect our interests in unstable regions. Our military presence, even on a limited basis, is the final guarantee of regional stability in many areas vital to the U.S.

SECURITY COOPERATION AND BURDENSHARING

It is particularly important to our allies and friends, and for global stability, that our ability to fulfill defense commitments overseas is maintained. Our security posture is built on alliances, forward deployment of U.S. forces, and security assistance programs. Roughly three quarters of these forward deployed forces are committed to NATO, Japan, and Korea, where they provide for the common defense of the U.S. and its allies.

The U.S. contribution to NATO forms the largest of our military activities overseas. NATO turns forty this year, and it remains our best guarantee for peace in Europe. The NATO summit this month will reaffirm the centrality of the Alliance to the U.S. and its allies, and will also address the challenges ahead: force modernization, arms control negotiations, and the need for greater burdensharing. These issues directly affect, and are affected by, our budget decisions, and both our NATO allies and the Warsaw Pact will look closely at our actions and intentions. We must renew our commitment to Europe's defense and the still-enduring need for substantial forward-based U.S. conventional and nuclear capabilities.

The Soviet Union retains immense military strength. In response, we must ensure that our defensive alliances maintain the forces needed for our security and that of our allies. Any changes we contemplate must be considered carefully, based on changes in the known capabilities of our adversaries, and developed in close consultation with our allies.

BURDENSHARING

We are working to find new methods for redressing the problem of maintaining a credible defense posture in an era of declining resources, both in consultation with our European allies and in multilateral arms reduction negotiations.

Other allies, such as Japan, have taken a greater share of the collective security burden by providing increased foreign assistance. We expect them to do more. Additional aid can play a valuable role in promoting regional stability and the security of friendly nations.

STRATEGIC AND CONVENTIONAL ARMS CONTROL

In a period of pressure on our military budget, we must closely analyze our priorities in defense spending. The competing demands of budgetary restraint and force modernization will affect all U.S. strategic and conventional arms programs, and U.S. decisions on budgets and force posture will affect our ability to negotiate successfully arms control agreement.

If we indicate that we are not prepared to expend resources to modernize and maintain our strategic forces, the Soviets will be less willing to deal constructively when we resume the START negotiations. Similar unilateral cuts in U.S. conventional forces would not only increase an already large Soviet advantage, they would also reduce our ability to negotiate reductions in the CFE talks in Vienna. In those talks we appear to have general agreement on the magnitude of initial reductions, several of the categories of equipment to be reduced (tanks, artillery and armored troop carriers) and key principles of verification. The Warsaw Pact reduction proposal calls for cuts in aircraft. We believe this is unwise, as such limits would be neither verifiable nor militarily significant, since aircraft could be quickly returned to the conflictive zone. In close cooperation with our allies, we seek an outcome that will preserve the defensive capabilities of the Alliance while taking full advantage of what may be an unparalleled opportunity to reduce the risk of conflict in Europe.

In both strategic and conventional weapons, modernization programs give us tremendous bargaining leverage. As the example of the INF treaty suggests, a demonstrated intention to modernize can be essential for reaching worthwhile agreements. We must ensure that any changes in the defense budget do not undermine our ability to negotiate successfully.

DEPLOYMENTS AND COMBINED EXERCISES

Outside of our formal alliances, temporary assignments of U.S. forces advance our interests in many areas where we do not have a permanent military presence. They enhance military cooperation and offer assurances to friendly countries, as they did in the Persian Gulf. They help develop sound military-to-military relations that support our diplomatic efforts and enhance U.S. influence and prestige. Fewer temporary deployments or combined exercises, coupled with a falling assistance budget, could diminish US influence in many areas of the world where we do not have alliances or a permanent military presence.

As Secretary Baker said in his confirmation hearings, realistic leadership by the United States can seize the opportunity to usher in a more peaceful and prosperous era. We face a formidable agenda. Given budget limitations, we must discover how to maintain our political and military effectiveness while making the necessary adjustments to our governmental expenditures. To ensure not only our own continued growth and safety, but the growth and safety of the world, the United States must be prepared to maintain or project a strong diplomatic, economic and military presence in all those areas of the globe where we have important interests. We believe that the combined efforts of Congress and the Administration will ensure that the United States has the ability to achieve this important goal.

Thank you.

Senator INOUYE. Thank you very much. Before we proceed, I would like to note the presence of your father here, Colonel Kimmitt.

Welcome, sir.

For those who are not aware, the Kimmitt family, all sons have a middle name, "service." They all have done great service to our Nation. One of your brothers serves on this committee, as you know.

The bulk of the moneys that we appropriate in this committee are either directly spent in NATO or indirectly involved with the alliance. NATO is very important, needless to say.

PROBLEM IN NATO

About a month ago, with two of the most senior members of this committee, I took a special trip to countries in NATO, specifically Germany, Italy, Turkey, Greece, to hear for myself from our military leaders and the host country political leaders. The message I received was one that suggested that we should be deeply concerned. It appeared to me that NATO was adrift. This great alliance that has maintained the peace for over 40 years may be in trouble.

Although the LANCE missile modification and improvement may appear to some as just a small matter of one weapons system, it may be the outward manifestation of this problem we have in NATO. We see a change occurring all over. You have a new generation. Some of the men and women who are in charge of governments in Japan, Korea, and Germany were children when the war came along and many do not recall this war.

Many have no idea what pain and misery accompanies war. Men like Eisenhower mean very little to them. "Yankees are coming" is not the phrase; "Yankees go home" seems to be a more likely phrase. In each country, as you know, student demonstrations have brought about extraordinary changes.

Is there any American response to these changes, or is it business as usual? Because if I look at the appropriations portfolio it would appear to me like it is a continuation of last fiscal year, which was then a continuation of the prior fiscal year. I would like to know what role all of these weapons systems play in the foreign policy of the United States?

Mr. KIMMITT. Mr. Chairman, we followed the reports of your trip to Europe, as well as some other trips that you have taken recently, with interest. I think it is correct that there is a perception, certainly a public perception, of some degree of drift or disagreement within the alliance. My view is that that perception is overstated, but, nonetheless, I think it is a perception with which we have to deal.

I think that the administration's view is that the fundamentals of the alliance are still sound. After all, what has held the alliance together for 40 years are shared values that are as valid in 1989 as they were when the alliance was begun in 1949.

BASIC VALUES NEED TO BE REAFFIRMED

As we move forward to NATO's 40th anniversary, I think it is important to reaffirm those basic values but to recognize that at a time of change, not just in Europe but elsewhere in the world, the alliance must do a better job of explaining to their respective publics the centrality of the alliance to the system that all of these publics want; that is, a system based upon democracy, political freedom, economic open markets, and military forces sufficient to deter aggression.

I do find it somewhat paradoxical that at its 40th anniversary NATO is a resounding success, having kept the peace in Europe for 40 years, which by European standards is quite a long time. Again, I think that was on the basis of those shared values and we have the East actually moving in our direction on political and economic issues.

We have had force restructuring on our own side, which has dropped the level of nuclear warheads in Europe to their lowest level in 20 years in the wake of the Montebello decision, and yet there seems to be more fascination with the statements coming from Mr. Gorbachev and others in the East with regard to changes that they intend to make.

But the facts on the ground in the military sense, for example, and in the political and economic spheres, are undeniable. And that is that the West is the model, not the East. The East needs to move in our direction politically and economically, and I think we are seeing examples of that movement in Poland and Hungary, and I think that some of the steps that Mr. Gorbachev has said that he intends to take—unilateral steps—are steps in the right direction to reduce these asymmetries that exist in central Europe.

But it seems to me the reason we are seeing that movement is that the basic principles of the alliance are sound and I think again we need to reaffirm that. I think the 40th anniversary presents that opportunity. I think that is when the President would intend to state his particular vision of NATO as it enters its sixth decade.

PROBLEM ONE OF PERCEPTION

But, again, I would say that the problem that we have is one more of perception than of actual fact. And I think it goes back to the statement that you made. NATO is important. It has kept the peace. But as the winds of change blow in Europe and elsewhere I think it is important that people understand why NATO and similar alliances are as important in today's modern world as they were immediately in the wake of World War II.

Senator INOUYE. What can we do to stiffen the resolve of our NATO friends in light of the apparent successes of Mr. Gorbachev. As you have indicated, we have taken the initiative in cutting down the level of military concern there, and yet no one seems to know that. How do you account for this apparent success on the part of Mr. Gorbachev, who does not have a Madison Avenue, and we have got our Madison Avenue and we are not getting our message across?

Mr. KIMMITT. I think, Mr. Chairman, we in the alliance should all consider improving ways of getting our message across. In fact, we have a system that has worked; it is the model for emulation of those in the East. And I think we need to stress and even repeat those basic principles.

REASONS FOR GORBACHEV'S SUCCESS

I think to some degree that people expect certain things from the alliance in the areas of political, economic, and military measures, and when those happen they are again just generally expected. What Mr. Gorbachev is doing now and has been doing for years is the unexpected. People did not expect this of Soviet leaders. And I think that when something happens that is unexpected, people are going to pay more attention to that.

So I think he has a somewhat easier job because he is making adjustments to a system that requires major adjustment. He is making proposals with regard to force reductions after a tremendous buildup over four decades. He has a lot more room for maneuver and I think, therefore, a lot more ability to capture the attention of people in Western Europe and elsewhere, again because his is such a radically different approach than the leaders that had preceded him.

In our case, it is a steady adjustment, refinement of policies that have worked for 40 years, and sometimes those changes, which might be perceived as considerably more subtle than what Mr. Gorbachev is doing, I think are tougher to impress upon the public both here in the United States and in Europe.

I think we are on the right course. I think we should continue to pursue it, but I take your point and I think the alliance should consider better ways to get out our message, that, again, at 40 years NATO is a success. It is built upon a strong three-pronged strategy—political, economic and military—on the basis of shared values, but that it does need to adjust as we move into its sixth decade.

Again, I would hope that the 40th anniversary summit meeting presents that opportunity, and the President's associated travel in Europe, and that is one of the reasons why on the issue that you mentioned with regard to LANCE and the issue of short-range nuclear forces I do not think anyone in the alliance wants this to dominate the summit.

I do not think, in my view, it is a window on deep divisions within the alliance. I think that it is a manifestation of the fact that we are an alliance of democratic nations. We have political processes. We have our differences of opinion. But I think we have shown an ability in the 40 years that NATO has been in place to address these issues toward the common good of the alliance.

Senator INOUYE. In one of my meetings with German officials, one of them made the following remarks. He said, I participated in the big war. As far as I am concerned, your presence is essential to my country. You have been good to us. Your men are well behaved. However, how would you feel if you had two divisions of very friendly German troops or any sort of troops stationed across the river from your Nation's Capital for 40 years?

NEED FOR U.S. PRESENCE

Mr. KIMMITT. I guess, Mr. Chairman, if I had 10 divisions of Soviet troops a little bit further to the west of the Capital I probably would feel somewhat reassured by having an alliance strategy built upon a collection of forces that would meet that threat. And I think it goes back to the threat that we face now and the threat that was faced in the wake of World War II.

I take the German point. This is not a situation, however, that we created. It was the result of the aftermath of the war. And, again, at a time that we face the array of Soviet conventional and nuclear forces in Europe, while I hear Germans asking questions of that sort in isolation, I do not think any have suggested that there should be significant reductions of the U.S. or other allied presence in Germany at a time that there is such a massive Soviet presence in East Germany and elsewhere.

TROOP REDUCTION

Senator INOUYE. What is our Government's position on the reduction of troops? There is much talk about reducing the level of forces there.

Mr. KIMMITT. Mr. Chairman, the alliance decided that its three negotiating priorities should be START, conventional forces in Europe, and chemical weapons. I think it is our view that the issue of conventional forces should be dealt with in the negotiations in Vienna.

Right now we believe that we have our force levels in Europe at the minimum level necessary to provide a credible deterrent, when linked with our nuclear forces, against the Warsaw Pact forces that are faced. But again I think that whether it be in strategic forces in START, chemical weapons in the CW conference in Geneva, or particularly in the conventional forces talks that are ongoing in Vienna, we do want to see if we cannot bring those levels down.

And, of course, the proposal on the table on our side is to bring certain categories of systems down to 5 percent below existing NATO systems, and we think that it is in that conventional forces context, in the negotiations context, that that issue should be addressed.

Senator INOUYE. I bring this up because I am certain you have noted that many of my colleagues here in the Senate and also in the House are openly discussing the matter of reducing our forces. Some are asking themselves why are we closing bases in the continental United States but resisting closing bases in NATO, bases that obviously are not necessary.

How do I respond to them?

Mr. KIMMITT. Well, again I think it goes to one's perception of the threat that we face. Again, if you take a look at where our principal adversary, the Soviet Union, has decided to concentrate a tremendous percentage of its conventional and nuclear forces, we find those in eastern Europe poised very close to West Germany and other countries in western Europe.

I think, although I would defer to the Defense Department in terms of the military strategy considerations, that the concept of forward defense requires us to have a credible U.S. contribution to the alliance force that meets that particular threat.

I would say, thinking back almost 13 years ago, I recall my first day working with the National Security Council. I was asked to do a little bit of work on MBFR, and I asked someone how quickly I needed to get the paper back to this superior who had asked me for it. And he sort of smiled and said, you can take a little bit of time because, as we know, MBFR had been going for a while and then continued for quite some time.

I think the conventional forces talks in Europe present a different opportunity. I think they do present an opportunity for meaningful negotiations between the alliance and the Warsaw Pact on the conventional balance in Europe, and I think because we do have that opportunity for progress in arms control negotiations, particularly in the conventional forces context with the Pact and alliance proposals that are on the table, I do not think now would be a time to change one part of a formula that has worked at keeping the peace both in Europe and elsewhere throughout the world for 40 years.

BASE CLOSURES

Senator INOUYE. I brought this up because during our visit there responsible military leaders were rather clear in suggesting to us that certain bases were absolutely unnecessary, that it was just a sheer waste of money and waste of manpower. We conveyed this to the Defense Department, but apparently they feel that your Department feels that to close these bases may have a negative impact.

Is that your position, even if they are unnecessary to keep it there?

Mr. KIMMITT. Mr. Chairman, I have not looked at that specific question of individual bases in Europe. I am not aware of whatever participation we have.

Senator **Inouye**. Would you like to have my staff share this information with you?

Mr. **Kimmitt**. Certainly. I would be glad to look into that. I think that one of the things that we do want to look at in the NATO context is the question of restructuring our forces toward the realities that we will face in the future.

I think one of the decisions, again the fundamental decision, at Montebello was that we wanted to have our conventional and nuclear forces at the lowest levels we could, leading to the reductions in warheads you and I discussed earlier. That is part of a restructuring.

Whether that restructuring would also include base changes, I would have to look into, and I would be glad to get back to you for the record on that.

[The information follows:]

If it were decided that an existing base or facility had become militarily redundant or unnecessary to the achievement of our long-term strategic aims, the Department of State would not insist that it be kept open solely for political reasons. It is worth noting that the Army and Air Force annually review their basing requirements in Europe, and since 1985, 19 installations have been closed, with 12 more scheduled for closure by 1993 and another 20 under consideration for closure.

Senator **Inouye**. I have many more questions, but I would like to now call on my colleague Senator Kasten.

Senator **Kasten**. Mr. Chairman, thank you very much. I would like to yield, if I could, for about 30 seconds to the Senator from New York.

Senator **Inouye**. Senator D'Amato.

Senator **D'Amato**. Thank you, Mr. Chairman and Senator Kasten.

PREPARED STATEMENT

Mr. Chairman, I am just going to ask permission to submit a statement for the record as if read in its entirety and I have several questions that I am wondering if I could submit and ask for written responses.

Senator **Inouye**. Without objection.

[The statement follows:]

Statement of Senator D'Amato

Thank you, Mr. Chairman. I want to welcome Under Secretary Kimmitt. I appreciate your appearing this afternoon to testify.

I have been deeply distressed by the escalating rhetoric emanating from Bonn and Washington over the modernization of short-range intermediate nuclear forces. Chancellor Kohl, a stalwart ally, is fighting for his political life while we, oblivious to German public opinion, try to ram an upgraded LANCE missile down his throat.

To understand the nature of Mr. Kohl's position, imagine rallying American public opinion around a Midgetman ICBM based in the Midwest that is only capable of striking targets within the U.S. That is what we are asking Helmut Kohl to do when we insist upon modernizing a weapon based in Germany that will only fall on German soil.

The essence of deterrence is holding at risk those things an adversary holds dear. Will killing Germans really deter the Russians? I think not.

I do not believe that the modernization of short-range nuclear missiles should be a litmus test for German allegiance to NATO. If we make it so, we, not the Russians, will drive the wedge between us. The military value of the LANCE is far smaller than the political value attached to it by some here in Washington. German reluctance to turn their own nation into a radioactive wasteland is not indicative of Finlandization.

It is my hope that we reach a consensus swiftly within NATO that accommodates German sensitivities while continuing to maintain a flexible, effective, and survivable nuclear deterrent in Europe.

Thank you, Mr. Chairman.

Senator D'AMATO. I thank my colleagues.

Senator KASTEN. Mr. Chairman, thank you.

First I want to begin by welcoming Bob Kimmitt to the committee. You, Mr. Chairman, made the decision at the beginning of this year to integrate the decisions that we make on defense with our U.S. foreign policy. Your testimony is a welcome addition to that effort and Bob's testimony is a welcome addition to that effort also.

Over the years your help has been instrumental in many of the decisions that we have made with the Foreign Operations Subcommittee and I am sure also with the Defense Subcommittee. So I look forward to working with you.

JAPAN

I just have one series of questions with regard to Japan. In your testimony you have got a line or two talking about the suggestion that additional foreign aid from Japan can promote security of friendly nations. Both of us have been part of discussions ongoing over the last year or so with regard to the Philippines in this regard.

But what kind of aid do you recommend Japan ought to provide, first of all—security assistance, economic assistance, through direct bilateral assistance which they provide to a great degree, but an awful lot of that bilateral assistance, I think, comes directly back to Japan, unlike what the United States of America does with much of our bilateral.

Are we going to ask them to participate more in some of the multilateral arrangements, or are you thinking in terms of setting up a Marshall Plan kind of operation outside of the scope of any existing either multilateral or bilateral relationship, but that would be set up for special cases such as the Philippines?

So what kind of aid are you thinking about from Japan, and how are you hoping that they will be providing that aid?

Mr. KIMMITT. Senator, I think that we would be looking primarily for economic assistance. I think for a series of reasons it would be difficult for them to provide anything that would be considered military assistance. We have used various terms through the years—security assistance, security supporting assistance, economic support fund. But effectively we have seen that as a component of the security assistance budget.

I think that would be difficult for the Japanese, so I think again we would be looking for emphasis primarily on the economic assistance side.

I think, with regard to the particular mechanism, we would want to retain some degree of flexibility in our discussions on that. The MAI formula for the Philippines seems to have worked. It is moving forward at a pretty good pace. There might be, however, different approaches that we would want to take either in different countries in that region or in different parts of the world.

I think sometimes we could look for a specialized multilateral approach; at other times we might be able to use existing multilateral institutions; in some cases it might be better for them to act bilaterally. I take your point about some of their bilateral programs being ones that have more flowback to Japan than might some of our programs of the same sort.

By coincidence, I am having some discussions next week with my counterpart from the Japanese foreign ministry and this is one of the subjects that we look forward to getting into with them, because I think that they share our concern about the need for them to do more in what I like to call responsibility sharing.

We have, in the past, talked about burdensharing, but I think that has a specific context. I like to think of it more in terms of the responsibilities they have as a country with global interests, and I think with the surpluses they have and the interests that they have in multiple areas of the world we should be able to encourage them either in our bilateral discussions or in a broader multilateral context to find ways to contribute.

I think I would really like to keep open to suggestion what best fits the target country or target region because, as you know, some things work in some areas of the world and they do not work quite as well elsewhere. But it would be primarily an emphasis on the economic assistance side.

RESPONSIBILITY SHARING

Senator KASTEN. I think those are wonderful words, responsibility sharing, because that fits another part of this question. There have been times—one example would be trading developmental equipment to Vietnam, for instance, a few years ago, with Japan trying to sell Vietnam oil-drilling equipment. There have been a number of sales, some of them open, some of them less open.

We can look at Toshiba. We can look at the problems that we are having just in the last several days that are being discussed with regard to Libya. But it is not only the kind of aid, it is also the countries to whom this aid would be going or the countries to whom the trade would be going.

And in this overall concept that you expressed of responsibility sharing, do you also feel that there is a responsibility to be supporting the goals and the directions of the free world and that that responsibility ought to be shouldered by the Japanese?

Mr. KIMMITT. Absolutely yes, I think not just by the Japanese but by all people who consider themselves part of the western alliance, broadly stated, not just in NATO but elsewhere. And I think that any discussion of the responsibility-sharing issue or the aid component in particular has to start from a foundation of a general discussion having to do with what the common western interest is in a region or in a country.

In some cases, the interest is for western countries to stay out, not to support certain efforts, be they chemical, missile, whatever kinds of proliferation might be of concern to us. So, in other words, I think we need to be able to find ways to act and react positively but we have to make clear in those areas where we have decided that providing assistance or normal trade relations are not in our interest and we would hope that the Japanese and we would see eye to eye on those.

AMERICAN TROOPS ABROAD

Senator **Kasten**. Let me just ask one different question with regard to American troops abroad. You responded to a series of questions from Senator Inouye with regard to American troops, our troops in NATO countries, essentially saying that you had not had an opportunity to review the specific bases, et cetera, but the status quo—at least if I understood your question—was basically what you were in favor of at this time.

Without asking if I am characterizing that fairly, what is your attitude with regard to U.S. troops in Korea? There are a number of people on both sides of the aisle that feel that there may be some opportunities to reduce the American troops in Korea, particularly those on accompanied tours, or maybe that we could reduce some of the dependents.

Just simply looking at the costs and the squeeze that we are going to be working under, what is your attitude with regard to the foreign policy implications of any troops reductions in Korea?

Mr. **Kimmitt**. I would defer to the Defense Department with regard to the question of dependents. I would imagine it is a 13-month hardship tour for people who go over without dependents and a 2-year tour or longer for people who go with dependents. I would imagine most of the people in the 2d Infantry Division on the line are there in an unaccompanied status. That obviously is the critical part of our force presence there.

My impression is that those forces provide tangible evidence of the U.S. commitment to security and stability in Asia generally and North Asia in particular. I think it is a time of some movement in that part of the world. We have seen even some beginning of a north-south dialogue, although it has stalled to some degree at this particular point.

It seems to me that the stability that has been provided by our presence there, both diplomatic and military, has helped encourage those in the region, both in the two Koreas and elsewhere, to begin to look for ways further to reduce tensions. It seems to me, therefore, a relatively small investment as you look at the totality of the U.S. force for us to maintain again a position that contributes both to stability and deterrence in Asia.

Senator **Kasten**. Thank you, Mr. Chairman.

LOW-LEVEL FLIGHT TRAINING

Senator **Inouye**. One of the most contentious problems in NATO is the low-level flight training. What role does the State Department play in these negotiations, or do you have any rôle to play?

Mr. **Kimmitt**. Mr. Chairman, I think that the whole question of exercises in Europe, to include low-level flying in the Federal Republic, is being considered within the NATO context in Brussels. We, of course, have a permanent representative there, our Ambassador to NATO. That is where those discussions are taking place.

It is not, to the best of my knowledge, a bilateral discussion between ourselves and the Germans, but rather a multilateral discussion within the NATO context. And that Ambassador is the President's representative, who works most closely with the State Department and the rest of the interagency community on that issue.

But again I think it is broader than just the low-level flying issue; it is the broader issue of training in Europe.

Senator **Inouye**. I wanted to know what role the State Department plays. Your Office does not play any role in this negotiation?

Mr. **Kimmitt**. Well, the only reason I hesitate to say negotiation, I do not know that there is an ongoing negotiation. I think there are discussions of these issues.

The way that it would work in a procedural sense is that the regional political-military office in the European Bureau at the State Department, which looks at those political-military issues in Europe, would be working closely with our mission to NATO, providing instructions where necessary, either in discussions or negotiations. They would help coordinate the views both inside State Department and in the interagency community.

As issues come up that raise a question of policy significance or if they have to do with a particular bilateral relationship, it might be raised either to the Assistant Secretary or to me as the Under Secretary or taken further to the Deputy or to the Secretary.

We have been engaged in these discussions—again, I would have to check to see if we are actually in negotiations on that issue—but right now, of course, most of our focus preparing for the summit at the end of this month has been trying to work out the language in the comprehensive concept on the short-range nuclear forces and other issues.

Senator **Inouye**. Is this part of Status of Forces Agreement and so part of the treaty relationship?

Mr. **Kimmitt**. Part of the what, sir?

Senator **Inouye**. The treaty relationship we have with Germany?

Mr. **Kimmitt**. I would think that the Status of Forces Agreement has some bearing on this. I would have to get back to you with some details on the actual interrelationship between low-level flying and the SOFA. Of course, we are not the only ones with jets deployed in Germany. The British and others have an interest in that issue and that is, again, why I wanted to emphasize that it is being dealt with in the multilateral context.

[The information follows:]

NATO

The issue of low-level flight training is being addressed on a multilateral basis by the Federal Republic of Germany and the six "sending states" (the United States, Great Britain, France, Belgium, Canada, and the Netherlands) which station forces in the FRG pursuant to the Supplementary Agreement to the NATO Status of Forces Agreement (in this case, especially with reference to Article 46 on aerial training). These discussions on low-level flying are ongoing consultations about possible changes to existing procedural arrangements and training practices; they are not negotiations in the narrow sense of the term, i.e. talks directed toward the signing of a new international agreement. At the request of the German government, the issue is being handled primarily in Bonn among the sending states, rather than at NATO headquarters.

The bulk of the consultations on low-level flying since last fall have been technical discussions among the relevant air forces and the German Ministry of Defense. U.S. Embassy personnel have, however, worked with senior German officials on establishing how such consultations will be carried on. The Embassy in Bonn and the consulates elsewhere in the FRG are also actively engaged in reporting to Washington about German political and public attitudes toward low-level flying. Department officials convey to German political figures visiting Washington the importance of examining ways to reduce the burden of low-level flying on the German public that are consistent with collective defense requirements.

KOREA

Senator INOUYE. The other area of concern to this committee is Korea. Much has happened there—student demonstrations that are still going on. Are we anticipating any demand on the part of the Korean people to withdraw our forces from that peninsula?

Mr. KIMMITT. I do not anticipate that, Mr. Chairman. I think what is happening is you are seeing a society in transition, one that is seeking greater democratization, that is just beginning to realize its economic potential.

I recall years ago when you and I were discussing how high the level of U.S. foreign military assistance should be to Korea—we were talking credit programs and so forth at the time—until today when there is a trade surplus in the United States-Korean relationship. I think that is quite a transformation in the decade or so that I have been working on these issues.

Again, I think that what we are seeing is a manifestation of a society moving in the direction that we would like to see it move. There is no doubt that the U.S. force presence is an issue that is under consideration there, but going directly to your question I do not anticipate a call for the removal of U.S. troops, again both because of the stability that they provide in Korea and in the region more broadly.

Senator INOUYE. We have seen public statements made by very responsible and high military officials suggesting that the South Koreans are adequately prepared now to counter anything that the North can throw and, therefore, our presence there is not necessary.

Do you support that view?

Mr. KIMMITT. This is by United States or Korean officials?

Senator INOUYE. United States.

Mr. KIMMITT. I would still believe at this particular time, at a time I see of some transition in the south and still facing a considerable threat to the north, while I defer on the military judgment to the Defense Department and the Joint Chiefs in particular, I think our position would be that the forces, U.S. forces, should remain as part of a combined force, both to deter conflict but also, again, to provide stability in the region more broadly.

Senator INOUYE. I think it is apparent that the increasing pressures against realistic training in Germany—and, after all, our forces would want to train over the terrain and topography that we should anticipate any attack if such attacks are going to be coming—have given heightened importance, I believe, to the U.S. relationship with the Third World and to access to bases and training areas in the Third World countries.

BASE RIGHTS AGREEMENTS

Has your State Department taken measures to respond to this importance of base rights agreements with Third World countries?

Mr. **Kimmitt**. Mr. Chairman, first I agree with you that it is always best to be able to train on the ground that you intend to defend in the event of aggression, and certainly both in NATO and elsewhere we are continuing to work toward the goal of being able to provide training opportunities for our forces who have a defensive mission in West Germany and elsewhere in Europe.

But you are correct that it does call into question really the full scope of the U.S. forward defense strategy, which means, I believe, that both in Europe and elsewhere we need to consider ways that the United States can have both a presence and an ability to project a presence that allows us to protect our interests, be it in Europe or elsewhere.

I think that is why the base agreements that we have, the negotiations that are underway right now, we believe are important in the various parts of the world, both because of the presence they provide and also because there is a training dimension involved with each of those agreements.

Senator **Inouye**. I brought this up because military leaders, some of them, have suggested that since they are having problems in training in Europe in total, not just in Germany, that it might be well if we trained our forces in places like Israel or Egypt.

Are we considering those places?

Mr. **Kimmitt**. Well, Mr. Chairman, I think as you know—you have been in the region as much as anyone in the Congress probably—we have had an ongoing joint exercise program in Egypt and with the Israelis and others in the region for quite some time. I think that provides a training opportunity both for contingencies in the region and elsewhere.

And both as part of formal base agreements plus bilateral military relationships we have—for example, the joint military commissions we have both with the Israelis and the Egyptians—I think that certainly the training of U.S. forces and the working that U.S. forces would do with other forces in the region is something that remains a priority interest of the Joint Chiefs.

That is something that we are involved with, both as we negotiate the agreements and as we work with the host government in bringing U.S. forces in for short deployment periods in which they can train both with other forces and individually.

Senator **Inouye**. Will this type of activity result in heightened demands for greater security assistance?

SECURITY ASSISTANCE ISSUE

Mr. **Kimmitt**. Well, you know from your years in your other subcommittee assignment that we believe security assistance is a very important component of the resource base needed to support an effective national security policy.

I would imagine that there will be increased demand for security assistance resources. This dimension—that is, the training dimension of the forces agreement—could add some additional pressure. I am not sure that I would see it as a significant addition to a pressure that will already be there.

But again, I think that just as in the defense budget context, we have to realize that our security assistance budget decisions have to be made in the context of the budget environment that we face. I think it is important for us to be able to communicate that effectively to the countries involved, because ultimately we would hope that they would see the presence of U.S. forces for training and other exercises as being as much in their interest as it is in our interest and that therefore you would hope they would not expect increased compensation for something that we think serves a mutuality of purpose.

PHILIPPINES

Senator **Inouye**. Should this committee be concerned with our relationships in the Philippines?

Mr. **Kimmitt**. I think that the U.S. relationship with the Philippines is a very important relationship. Again, it is a democracy in transition, struggling in both political and economic terms. We are working closely with the Philippines Government in that regard. You mentioned the Multilateral Assistance Initiative and other economic programs that we have.

But similarly I think that the bases that we have in the Philippines are important for strategic reasons to U.S. interests in southeast Asia and elsewhere in Asia. So certainly I think it should be a country and a region of interest to the committee.

Senator **Inouye**. This is a rather parochial question because in a way it affects Hawaii. What is the intention on the part of the State Department as it relates to former President Ferdinand Marcos? From all I can gather in the press, he is ill and beyond any recovery. Do they intend to have him pass away in the State of Hawaii?

Mr. **Kimmitt**. Mr. Chairman, I cannot say that the Department has taken a particular position on the humanitarian aspect of the question that you have raised. The State Department did play a role in 1986 in the series of decisions and developments that led President Marcos to come to Hawaii.

I think that most of the work with regard to former President Marcos since that time on the part of the U.S. Government has been done between Mr. Marcos' party and the Justice Department or Mr. Marcos' party and the Treasury Department because of some Customs and other related matters.

We have had discussions with the Philippines Government on this issue, but really more just to make sure that there is open communication. I do not think it is anything that we believe we should be pushing the Philippines Government in a particular direction.

But again in direct answer to your question, I cannot say that we have a particular goal or intention in that regard.

Senator **Inouye**. What was the status of his presence in Hawaii? Was he invited or was he, as he claims, forced to move to Hawaii?

Mr. **Kimmitt**. Mr. Chairman, I could go back and try to find out some of the details for you on that.

[The information follows:]

The United States did not force Mr. Marcos to move to Hawaii. The United States offered Mr. Marcos the opportunity to come to the U.S. if he saw fit and he accepted.

Mr. KIMMITT. I do recall—now this is from my days at the Treasury—that he came there initially in a status that permitted Secret Service protection to be extended to him. I think as a result, at least in that initial period, he was there under the sponsorship of, or as a guest of, the President or the U.S. Government as a former head of state to whom such protection could be extended.

That expired after a relatively short period of time. I think what the United States had done was basically help offer safe passage out of the Philippines. I do not recall, because I was not involved in the particular decisionmaking on that subject at the time, whether that was seen as a transit point for movement elsewhere. I seem to recall there was some discussion of that, but again I was not in State at the time.

I was looking more at the question of some of the property that came out of the Philippines with him because, again, Customs had responsibility for that. But I think initially, at least, he had status as a former head of state, again to whom certain courtesies and protections were extended.

I am not sure what his status would be right now.

EFFECTS OF U.S. FOREIGN POLICY ON DEFENSE BUDGET

Senator INOUYE. Your prepared statement focuses on "the implications for U.S. foreign policy of decisions on the defense budget." I would like to turn that thought around and ask you about what effects of U.S. foreign policy decisions have on the defense budget.

In recent weeks, as chairman of this subcommittee, I have come to a more complete understanding of how, for example, arms control treaties negotiated by State can fundamentally alter and, in fact, determine the outcome of defense policy decisions.

What measures does your Department take to ensure that the implications of foreign policy decisions, particularly the arms control decisions, are fully considered not only in their foreign policy dimension, but also with regard to how they affect defense policies and defense expenditures?

To put it in more simple terms, what role does DOD play in this?

Mr. KIMMITT. Mr. Chairman, you are correct that the State Department has the lead negotiating responsibility in this area, as we do for virtually all U.S. international negotiations. However, the arms control decisionmaking process is, and has been, certainly in the 20 or so years that I have been aware of the process, very much an interagency effort.

In this administration, as in the last administration, the assistant secretary level group, the Deputies committee group, and, of course, the National Security Council deliberations themselves are chaired out of the White House. So the person who would do the—for instance, ongoing arms control review in a chairmanship capacity—would be a senior director at the National Security Council. Mr. Gates would be in the chair as it moved further up the ladder and then the ultimate decisions would be made by the President in his capacity as Chairman of the National Security Council.

At those meetings at the assistant secretary level and above, while the NSC is in the chair, there would be a senior representative of the State Department, the Office of Secretary of Defense, the Chairman of the Joint Chiefs of Staff—a representative of the Chairman. There would also be representation from CIA, the Arms Control and Disarmament Agency, and usually the Department of Energy.

And so I think that the interagency process is one designed both to bring the foreign and defense, as well as intelligence, aspects of the arms control equation into play. And that is one of the reasons why we have had both a strategic review and the arms control review component of that proceeding in parallel, one chaired by the Defense Department—that is, the strategic review—but the arms control part of it chaired by the National Security Council.

ROLE OF CINC'S IN ARMS CONTROL PROCESS

Senator INOUYE. Do you give any consideration to the views of the Commanders in Chief, the CINC's that you find—CINCLANT, CINCPAC?

Mr. KIMMITT. Is this in the arms control process, Mr. Chairman?

Senator INOUYE. Yes.

Mr. KIMMITT. In the arms control process I think that there is an active dialogue between, for example, our representatives at NATO with the Supreme Commander in NATO, the European Command, and others on that subject. I think that is really the Defense Department, both the civilian component—that is, the Office of the Secretary of Defense—and the Joint Chiefs of Staff who would bring those views to bear at the table when those issues are being considered.

So I think the answer is that the CINC's do play a role in the arms control area. I think it would again be brought to the table by the representative of the Joint Chiefs of Staff, who is usually a three-star general or admiral who brings that to bear.

General Galvin, of course, has special responsibilities and sometimes his input would come in directly and both Defense and State would consider it. But the CINC's, in general, would be represented in the arms control context by the Defense representatives at the table.

START TALKS

Senator INOUYE. I am asking this because of a strange result of the START talks. For example, the sea-launched ballistic missiles are counted, the numbers are counted but not the submarines from which they are launched. So in order to provide greater survivability of these missiles the Navy is considering asking for more money for smaller submarines, so we will have smaller submarines with a lesser number of missiles.

How did we reach that type of decision?

Mr. KIMMITT. Mr. Chairman, I would want to get back to you with the details on that because I think that is a question under the START treaty requirements. As our position now stands, I take it that we have 20 Tridents that are due on line by the late 1990s, and the current sublimit on ballistic missile RVs could accommodate a force of this size.

I take it the position that the Defense Department has put forward is that if in the future we need additional submarines of this sort, either for reasons of survivability or flexibility, we would still be free under START as it now stands to consider several options, one of which would be smaller submarines or fewer warheads per missile.

I do not have the exact details on how that position evolved. I would be glad to get that to you. But I would imagine again that the representatives of the Defense Department who participated in the preparation of the U.S. position in START and also the Defense representatives on the START negotiating team itself in Geneva would have solicited the views both of the Navy and of the Joint Chiefs before bringing that particular issue into the interagency process and, if necessary, to the President for decision.

[The information follows:]

As you know, approximately 20 Trident SSBN's are presently planned by the Department of Defense to enter the force by the late 1990's. Each will carry 24 missiles. START's sublimit on ballistic missile RV's could accommodate a force of about this size, and the Navy does not foresee an ASW threat to this force. START will therefore allow the U.S. a sufficiently sized Trident force to provide for survivability and flexibility for the foreseeable future.

If, further in the future, we want to spread our limited number of submarine-launched ballistic missiles deployable under START across larger number of SSBN's, START will allow us to consider several options, including smaller submarines with fewer missiles per SSBN.

We can choose this path or not; START does not require this choice. Moreover, given the excellent survivability of Trident and its projected lifespan well into the next century, deployment of replacement submarines is very far off.

Senator INOUYE. Senator Bumpers.

Senator BUMPERS. Thank you, Mr. Chairman.

Mr. Secretary, are you any relation to Colonel Stanley Kimmitt?

Mr. KIMMITT. Yes, sir. As the chairman said, he is here in the room today, so in addition to a little bit of substantive pressure, I have got some familial pressure.

Senator BUMPERS. Mr. Secretary, let me ask you just a few questions, and I will make them as briefly as I can.

MODERNIZATION OF LANCE MISSILES

One of the things that has been troubling to me is this business of the modernization of the short-range Lance missiles and it seems to me that Chancellor Kohl, of course, is in a politically untenable position. He is in political trouble for other reasons, but certainly he would be in much deeper political trouble if he did not take the position he is taking.

And when people like Senator Nunn, for example, who is extremely well respected in this body, Paul Nitze, who is also extremely well respected, say that we are just dead wrong about our intractable attitude about negotiating—and incidentally they are sort of validating my own feelings about it—my question is this.

We have always insisted that we had to have short-range missiles in Europe as long as we had troops there and as long as the Soviet Union had a fairly substantial conventional force superiority. I understand those arguments.

But it seems to me that it is foolish in the extreme to say, "No, we are not even going to talk; we are not even going to discuss it." Now Paul Nitze makes the point that the Soviet Union would have to dismantle a lot more launchers than we would if we totally eliminated short-range missiles from Eastern Europe and Germany, No. 1.

No. 2, what would be wrong with talking about eliminating short-range missiles from Europe while at the same time the conventional force talks are going on, and you talk about it in these terms. For example, when we reach a certain parity of conventional weapons, we will reduce 50 percent of the Lance missiles, and do it on a sliding scale basis so that at such time as Warsaw and NATO reach parity we also eliminate the short-range missiles?

Why is that not a perfectly sensible approach to this problem?

Mr. Kimmitt. Senator Bumpers, I would answer this by going back to decisions that the alliance made in 1987, 1988, and just recently at the Nuclear Planning Group meeting. I do that because I think we should not see this just as a United States-German issue; I think it is an alliance issue.

SUPPORT FOR U.S. POSITION

Senator Bumpers. We are pretty alone, are we not? I think all the other NATO members except England take the German position. Are there any other members besides Britain and the United States who are taking this hard line position?

Mr. Kimmitt. I think that there are others. I would be willing to discuss this with you, if I could, in private, as to where a particular government stands. But the answer is there are others who support our position. And remember there are two components to this—both modernization and arms control.

I think that, again, it is good to go back and look at what the alliance agreed, and that was that for the foreseeable future, to maintain the peace in Europe based on our principles of forward defense, flexible response, and nuclear coupling, we needed to maintain a mix of nuclear and conventional weapons across the spectrum, kept up to date where necessary.

That is the alliance position. We had talked earlier about alliance decisions made at Montebello and elsewhere that have already led to significant reductions in the number of nuclear warheads in Europe. Indeed, we are at the lowest level now that we have been in 20 years.

But the alliance at that time also said that its negotiating priorities should be START, conventional forces in Europe, and CW. We think those are still the right priorities, and particularly the conventional forces talks in Vienna because of the dangerous asymmetries that we face in the conventional balance in central Europe.

I think our feeling about negotiations is that negotiations at this point would be a mistake simply because, if there is pressure on the Germans and others to move to negotiations at this point, I wonder what the pressure would be if after agreeing to enter into those negotiations we were immediately met with a Soviet call for a third zero.

Senator Bumpers. We can always just say no.

Mr. Kimmitt. We could say no, but again we are saying no right now to negotiations and coming under quite a bit of pressure. It would seem to me that a third zero would look very attractive to people and it would be very obvious that we would get that proposal from the Soviets because the denuclearization of Europe has been a goal of theirs right from the start.

We disagree with that approach. We think the better approach would be to call upon the Soviets to make unilateral reductions, not only in their conventional but also their short-range forces, that we should continue to put our emphasis on the conventional forces talks. If there are concrete results in those talks, I think we should consider what further steps would be appropriate.

Maybe unilateral reductions would be the next most appropriate step. Maybe there should be focus on the shortest of the short-range systems—the artillery and other delivery systems.

Senator BUMPERS. Well, I think those ought to be part of the talks also, of course.

Mr. KIMMITT. But I think that is what I would say is the substantive point.

On the procedural side, though, I think it is important to note that we recognize the situation in the Federal Republic and elsewhere in Europe. That was one of the reasons that we and the Germans decided early on in this Administration that we wanted to work out an understanding between ourselves on this issue, take that into the alliance in time for its being considered as part of the comprehensive concept at the 40th anniversary summit.

We still hope that will be the case. We have given the Germans our proposed language for that comprehensive concept. It has an element of modernization. It also has an arms control perspective, as was agreed by the ministers last year and in 1987. And I think the next appropriate step would be for the Germans to come back to us with specific language changes that they would have to the language that we have proposed.

They know our position; we know theirs. And I am hoping that in the course of the next few weeks we can work out an understanding with them, one that could be endorsed by the alliance at the end of this month.

START TALKS

Senator BUMPERS. Mr. Secretary, in the START talks I am curious if you were Viktor Karpov and you were trying to negotiate a treaty on strategic nuclear weapons and you knew that the United States had taken the position on the ABM Treaty that we have—that is, the broad interpretation—and we are asking them and they are asking us to enter into an agreement knowing at the time the agreement might be ratified reducing weapons, we will say, to 6,000 warheads on each side, and also knowing that at some point when we deploy or make the decision to deploy and do, in fact, deploy SDI that we have in their opinion, at least, effectively abrogated the only treaty we have in existence with them on strategic weaponry, the ABM Treaty, would you, if you were in his position, be willing to sign an agreement right now for such a dramatic reduction, knowing that the other side was spending $4 billion or $5 billion a year on a missile defense system that they would deploy?

Mr. KIMMITT. I guess hypothetical questions are always tough. Hypothetical questions when you are put in some else's seat are particularly tough.

I would certainly not see any reason for them not to come back to the START table ready to negotiate in good faith.

Senator BUMPERS. Well, they have indicated that, have they not? I mean, they have indicated every day they are ready to get started.

Mr. KIMMITT. I think that is right, and I think that is one of the topics that Secretary Baker is discussing right now with Mr. Shevardnadze and likely tomorrow with Mr. Gorbachev in Moscow.

We have, of course, the range of negotiations including both START, defense and space, and then the other issues that we have talked of before—conventional forces, chemical weapons, and so forth. It seems to me that there is every opportunity for the Soviets and the United States to discuss not only the START particular questions that you have raised, but also related questions.

I again would not like to hazard a guess as to what instructions he would get at a critical moment in the negotiation, but I certainly would not see the situation as it now stands as being any obstacle to his coming back and perhaps raising that and other points in the course of those deliberations.

Senator BUMPERS. I can tell you, Mr. Chairman, if I were Viktor Karpov I would not consider signing a very significant agreement, I do not think, with that hanging over my head. I do not think it would be very bright, even though they indicated a rather strange willingness to go forward with that.

STRATEGIC DEFENSE INITIATIVE

But the last question I want to ask you is dealing with SDI. Do you personally think we should go forward with it and deploy it?

Mr. KIMMITT. I think that we should go forward with the program that was outlined by Secretary Cheney in his presentation on the budget and the revised budget. I think it is a system that, as part of the overall U.S. military force posture, makes inherent sense, and I think it contributes to the breadth of the U.S. military force posture.

I think that we should proceed with the program. I think decisions that can be left to the future should be left to the future, but I think certainly the way the President has decided and the Secretary has presented is the way to proceed, particularly, from our perspective, because I think there is an opportunity for that meaningful negotiation in Geneva—START, defense and space and other negotiations.

SDI DEPLOYED BY BOTH SIDES

Senator BUMPERS. Let me ask you, do you think our defenses are helped or hurt if the United States and the Soviet Union both deployed SDI? If we both build and deploy SDI, are our defenses helped or hurt?

Mr. KIMMITT. This would be without agreements in other areas?

Senator BUMPERS. Well, let us assume that we had a START agreement that limited both sides to 6,000 warheads, which is the sort of general parameters that President Reagan and Secretary Gorbachev laid down. Let us assume we had a treaty and that was, in fact, the case. Completely aside from the mix that we might have, are we helped or hurt if both sides have an effective SDI?

Mr. KIMMITT. I would think that again if a treaty has been negotiated, ratified by the Senate, it would be in the context of the understanding that SDI would have been either deployed or deployable on both sides. It would seem to me the judgment would have been made that that would have added to and improved the chances for greater stability and, therefore, greater deterrence on both sides. I would have to think that that would be helpful as lessening the prospects for a nuclear exchange.

Senator BUMPERS. Then if both sides had an SDI that was capable of destroying the other side's SDI as well as their missiles, does that raise or lower the threshold for nuclear war?

Mr. KIMMITT. I will tell you, Senator Bumpers, we are getting down a hypothetical path that I would really just rather not pursue, in part, I will have to say, because——

Senator BUMPERS. If you feel the questions are unfair, Mr. Secretary, they are not intended to be.

Mr. KIMMITT. No; I do not take them as unfair at all. In my position as Under Secretary for Political Affairs, I do not get into the details of our negotiating positions. That is done by one of my counterparts. I try to take a look at it from the perspective of its impact on our political relationships. I think I would really rather defer that question to someone who is more involved in the arms control process.

Senator BUMPERS. Thank you, and thank you, Mr. Chairman.

Senator INOUYE. Senator McClure?

Senator MCCLURE. Thank you very much, Mr. Chairman.

Mr. Secretary, I do not know exactly where to start because we are talking about how military posture affects foreign policy considerations and how they are interrelated. The Lance missile dispute is obviously a case in point.

CREDIBLE DETERRENT POSTURE

Let me ask you this. Would the Soviet Union have agreed to get rid of its SS-20's if we had not put Pershings in?

Mr. KIMMITT. I doubt, Senator McClure, that we could have reached the agreement that we did in INF unless we had demonstrated a willingness to have a credible deterrent posture combining both conventional and nuclear forces in Europe.

Senator MCCLURE. In other words, you have the best opportunity to negotiate meaningful agreements with the Soviet Union when you have something to put on the table.

If we want them to reduce their forces, don't we also have to be in a position to offer to reduce certain forces of our own?

Mr. KIMMITT. Yes, sir. I think we make our force determinations based upon the threat that we face and the mix of weapons that we need to meet that threat. Certainly, however, at a time where it appears the other side is prepared to engage in meaningful negotiations, I think any lessening of our resolve that could be seen by unilateral reductions or a failure to continue on a particular modernization path could adversely affect our ability to move those negotiations at the pace we would like to see.

SECURITY AND VERIFICATION ARRANGEMENTS

Senator McClure. I think it is also fair to say, is it not, that the security and verification arrangements that were necessary to persuade our Government, and the Congress of the United States, to accept the INF, become increasingly more difficult as we approach zero in those weapons systems?

Mr. Kimmitt. I think that is correct. I guess I would have to ask you to explain security arrangements because it seems to me there are elements there of verification as well as force posture.

Senator McClure. Both. Both force structure requirements and verification.

Mr. Kimmitt. Yes.

Senator McClure. If you miss 8 or 10 weapons, it does not matter much if there are 20,000 of them. If you miss 8 or 10 weapons, and there are supposed to be zero, it becomes quite a different proposition.

Mr. Kimmitt. That is correct, Senator.

Senator McClure. So as we progress toward greater and greater reductions, we run into greater and greater difficulty in the verification process?

Mr. Kimmitt. I think we do. I would say, though, that again I do not think we should be hesitant to look at negotiations that can produce reductions, particularly asymmetrical reductions, that would bring force levels on both sides down to a greater level of stability. But I take your point that as you begin to refine your approach, I think you face progressively more difficult questions in the verification area, whether that be in the chemical area, conventional forces, or in the nuclear forces down at the short-range end.

Senator McClure. I certainly agree with both your statements. I do not think we should fear the negotiations so long as we are realistic about it. I worry a great deal about people who would force us into negotiations from an unrealistic posture, unrealistic being a subjective term, and a matter of opinion on my part and theirs as to what is realistic or unrealistic. However, we must be aware that our actions have consequences, and not always the consequences we intend.

During the consideration of the INF Treaty I was one of a number of people who expressed concern that the elimination of intermediate-range forces would inevitably lead to pressure for the total elimination of nuclear missiles in Europe. I do not think I have ever made a prediction in my life that came faster.

RESPONSIBILITY FOR LANCE CRISIS

Jim Hoagland of the Washington Post wrote recently that the Lance crisis is the responsibility of President Reagan and especially Secretary of State Shultz, who pressed the Germans to accept the double zero deal and the elimination of Germany's own Pershing IA's. And indeed it seems to me that the current German posture is to a certain extent a result of our actions during the INF negotiations.

I do not wish you to be undiplomatic in your response, or expect you to be, but is that not correct?

Mr. KIMMITT. I think, Senator, to avoid being undiplomatic rather than comment on Mr. Hoagland's article or what might have happened in the previous administration, I would say the INF Treaty is a ratified treaty. It is an obligation of the United States. We are implementing it in accord with its provisions.

I would think, however, that is certainly has sharpened the focus on those nuclear systems remaining in Europe and, going back to my answer to Senator Bumpers, I think that particularly if one were to agree now to enter into negotiations, early negotiations, the new focus, the narrowed focus would then be on why not a third zero.

And again I think that would play right into the long-term Soviet goal of a denuclearized Europe, and I think it cuts again at the heart of our NATO military strategy, based again on forward defense, flexible response, and nuclear coupling. I think we can look at restructuring of our forces. I think we can take a look particularly at the shortest of the short-range systems as well as other steps that could be taken, particularly in the wake of results in conventional forces in Europe.

POSSIBILITY OF THIRD ZERO

But I would rather not have that focus turned to the third zero. And although some people would say now that is not their intention—that is, to move to a third zero—I think that would be the inexorable result of a move to negotiations under current circumstances.

Senator McCLURE. Just as some of the current circumstance is the inevitable result of postures we took, statements we made, actions that were taken by our allies in response to our positions as we went through the INF debate and treaty.

Mr. KIMMITT. I was in the private sector at that point, Senator, so I think that I really should not comment. I can see where people would make that argument. I think the judgment that was made by the previous administration on the question the Senate had before it——

Senator McCLURE. I supported the INF Treaty.

Mr. KIMMITT [continuing]. Was whether that treaty was in the national security interest of the United States. The judgment was that it was. My feeling is that, again, in the wake of INF the alliance decided that its negotiating priorities should be START, conventional forces, and CW.

I think that is really where we should be devoting our negotiating attention in the NATO context. I think we can do more on missile technology and other matters outside that context.

LANCE R&D FUNDING

Senator McCLURE. What impact would it have on current relationships between our allies and ourselves, and second, what difference would it make to our negotiating position with the Soviet Union if the Congress were to attempt to limit or eliminate the R&D funding for the Lance follow-on?

Mr. KIMMITT. Well, I think with the allies we would have a situation where a decision would be made that is in contradiction to an alliance decision again to support a mix of conventional and nuclear forces across the spectrum, kept up to date where necessary. And I do not find any difference of opinion whatever within the alliance on the need to proceed with research and development of the follow-on to Lance system.

With the Soviets, I think they would begin to ask themselves whether there is a need to be as forthcoming as they appear to be with regard to certain negotiations, particularly conventional forces in Europe, if, in fact, decisions were being made outside the negotiating context to contribute to their long-term goal.

Senator McClure. I appreciate your answer, and it was a very careful one, and I noted how carefully phrased the answer was. I commend you for it and I certainly do agree with both ends of it.

SOVIET STRATEGY ON MODERNIZATION

I might just note for the record something that is a matter of fact, and I will not ask you to comment about it, but it is a familiar position for us to see the Soviet Union complete their plans to modernize their forces, and then ask us not to take similar actions.

They have done that repeatedly over the last 20 or 30 years; for example, with atmospheric testing. They complete a nuclear modernization, so they do not want us to undertake a nuclear modernization. They complete theirs, then they are willing to freeze at their levels of superiority.

But I also see something happening on the conventional front that is equally unsettling, but also equally predictable. Comrade Gorbachev makes a statement that they are going to reduce conventional forces and then they increase the rate of production of tanks. I guess that is correct. I just report newspaper reports and reflect upon what I have read there.

SOVIET T-80 BATTLE TANK

According to the Washington Times—and the article is based upon Defense Intelligence Agency reports—the Soviets have dramatically increased production of their most modern main battle tank, the T-80.

That needs to be contrasted with both our current inventory and our current production rates, both within the alliance and within the United States. I do not know whether that report as published in the Washington Times is accurate or not, but it ought not to be very surprising to us that while speaking in one direction the Soviets take actions in another direction.

I am concerned about that. Philip Karber has testified that since Gorbachev's announcement of military cutbacks in December the Soviets have already replaced 15 percent of the 10,000 tanks they are supposed to be getting rid of. Yet I read constantly of Gorbachev's initiative to reduce conventional forces. Yet I do not see much in the press the actions which they are taking which are directly contrary to the announced intention.

Do you have any comment?

Mr. Kimmitt. I would be glad to look into that report and get back to the subcommittee with the facts.

[The information follows:]

The Washington Times article contained erroneous information and was based on an incomplete Defense Intelligence Agency report. The DIA has subsequently completed its review of that report and has retracted it in its entirety. The State Department shares the current view of the Defense Intelligence Agency, i.e., that there has been no known change in the Soviet rate of tank production of about 3,200 tanks per year, as reported in Soviet military power. As you know, our view of Soviet military production is produced on an annual basis and our estimate for 1989 production rates will not be available until 1990.

Mr. KIMMITT. I take, though, your general point, and that is that while it is good to hear words that talk about unilateral reductions, reduction of tension, the establishment of a balance of forces in Europe, and so forth, the fact is that we do not have that right now and I think that we have to be prepared both in terms of defense and dialog to try to correct the asymmetries that exist.

I think that it is important for people to look through the words to the deeds on the part of the Soviet leadership both in this area and in other areas. I think that they have also, however, been willing to put a very forthcoming proposal on the table in Vienna in the conventional forces talks. As you mentioned earlier, it does raise significant verification and other issues, and we are going to need to address those.

But it seems to me that that again is the forum to try to reach agreements which would include verification provisions that would lead to actual withdrawals rather than the stated purpose of withdrawals. Again, it is hard to disagree with the stated purpose, but I think we would like to see the effect in addition to the words.

Senator MCCLURE. Mr. Secretary, you said it better than I did, and I appreciate your comment. Again, I agree.

NUCLEAR MATERIAL PRODUCTION

I noted recently that the Soviets announced that they are closing two uranium production plants, and this was regarded among some circles in this country as being extremely significant. We stopped producing that material in 1969 and have produced none since.

They have more than a dozen more plants capable of producing weapons materials, and they close two, and it is portrayed by some as being a terribly significant action. We have none today—none. And they still have a dozen or more remaining.

Somehow we have to keep in mind the actual facts and not just the appearances and particularly the rhetoric. They still have much more nuclear materials production capacity than we have and we have none. We used to have a number of plants; today they are all closed down.

We are trying to get tritium plants back on line. We are trying to build a plutonium refining plant to replace ones that have been closed, and we are told that we are threatening the world peace, because they are closing down their facilities. As a matter of fact, we do not have any facilities to close down, and they have more than a dozen even after they close those two.

WILL GORBACHEV SURVIVE?

One final comment, Mr. Chairman. Secretary Cheney recently made a comment about whether Mr. Gorbachev was going to be able to survive. There has been a tremendous amount of public commentary to effect that, "Gee, that was not very diplomatic, was it?" After all, we do not expect him to be diplomatic. He was just a Member of Congress until very recently and Members of Congress do not have to be diplomatic.

But I read carefully what he said, and as I understand what he said, we certainly hope Mr. Gorbachev succeeds in making fundamental changes. But we do not know whether he will be successful and we should not take actions based on the assumption that he will remain in power when, as a matter of fact, he might not, and we would find ourselves confronted with an entirely different situation.

That is the way I understood Secretary Cheney. Do you have an impression of what he said and whether or not he was correct in what he said?

Mr. KIMMITT. Senator, I have only seen the press reports. I did not actually see the program on which he made those comments. But certainly the first part of your statement, and that is that Mr. Gorbachev is embarked upon a program of reform in the Soviet Union which, if successful, according to the terms that he has set down—that is, greater openness and political opportunity, restructuring of the economy toward perhaps more emphasis on market-based principles, consumerism rather than militarism—could lead to a reduction of tensions that would be beneficial, I think, both to the people of the Soviet Union and the people of the West.

I think it is too early to be able to predict what the result of that effort would be, but I think that we do hope he is successful because those goals, as stated, I think would help people both in the East and the West. And yet right now it is a process that is really just begun, based against a stated series of goals, and, as you referred to with regard to other instances, I think that while we want to encourage both those goals and progress toward those goals, I think we have to base our actions, particularly in this area, on the facts as they exist on the ground now.

And certainly the facts as they exist on the ground right now in central Europe are ones that are heavily in favor of the Soviets in terms of force levels. Asymmetries do exist. NATO has put together a mix of forces—conventional and nuclear—that we think provides an adequate deterrent based on the principles that I discussed earlier, and I think that we need to be prepared along the twin tracks of defense and dialog to try to come down to the lowest levels possible that will provide a deterrent force.

To the extent that he is moving the Soviet Union in that direction, I think that has to be beneficial to the West as well as the East.

Senator MCCLURE. Should we take actions now based upon the expectation that he will be successful, or should we take actions more cautiously based upon the actual facts as they unfold?

Mr. KIMMITT. I think we should take those steps that are prudent and realistic at this particular point. I think we should be mindful of the direction that he seeks to take the Soviet society, but I think we have to deal with the facts as we find them today.

Senator MCCLURE. I noted that one columnist, writing about Mr. Gorbachev's new initiatives in the Soviet Union, was anxious to embrace him—I believe that was his purpose—anxious to embrace him and convince the American public that we should embrace him without question.

He wrote that Mr. Gorbachev is really a closet Christian. Now, I do not know what his evidence is, other than Gorbachev using a quotation from the Bible. I assume the man in charge of the Kremlin can get access to the Bible all right, if he chooses to quote from it. He, unlike most members of the Soviet Union, can get about whatever it is he wants. Other Soviet citizens might have trouble getting a Bible.

But if we really want to destroy Mr. Gorbachev, I suppose all we have to do is convince the hierarchy in the Kremlin that indeed he is a closet Christian and then he will be gone. So I am not sure whether that columnist was doing Mr. Gorbachev a favor or trying to bring him down.

PURPOSE OF U.S. TROOPS IN EUROPE

Now I do not know quite how to make this next statement, because there will be more than one person that hears what I say, if anyone does. I am not at all certain that this Member of the Congress is anxious to see American troops at the front lines in Germany, at the East German border, if we do not have a modernized nuclear force there to give them some protection in the event of an all-out attack.

And it may well be that if Mr. Kohl is successful in preventing the modernization of our nuclear forces in Europe that this Senator will also vote to remove U.S. forces from Western Europe. Now that is a message I want Mr. Kohl to hear, but I do not want the Soviet Union to hear it.

And I do not know how to say that without at the same time saying to the Soviet Union, "Hey, it is working, is it not? We just divide the allies and we will get the U.S. troops out of Europe," which is one of their primary goals.

I am caught in that dilemma. I do not know how I will ultimately vote on that issue, but I do know I do not want U.S. troops in Europe simply for tripwire purposes, to be sacrificed in the event of an attack just in order to guarantee the involvement of the United States in such a conflict. And yet I fear that for some in Europe, that is the only reason they are there.

I do not know that you care to comment.

Mr. KIMMITT. I would just say that I think that our forces are there as part of an alliance force that again mixes both a conventional and a nuclear component. In fairness, I think the German coalition position is not supportive of a third zero. They do not stand for the denuclearization of Europe.

I do think it is their position that early negotiations should proceed aimed at reducing the levels of the theater systems based in Europe. We disagree on that point. I think, though, it is important to recognize that the Germans do continue to support the basic concepts of forward defense, flexible response, and nuclear coupling. I think they do continue to support a nuclear component of the alliance military strategy.

And I think their response would be—we agree with you, Senator, that we need a mix of conventional and nuclear forces. I think we have a difference in approach right now and a different view of what the effect would be of moving too quickly to negotiations.

Senator McClure. I do have one other question, Mr. Chairman.

FRANCE'S POLICIES

I have discussed the matter with successive defense ministers and foreign ministers of France over a long enough period of time that I believe their publicly stated policy is exactly what their policy is. They want us to know it. They want the Russians to know it. They want the entire world to know that if there is any generalized attack on Western Europe, they will respond with nuclear weapons.

They are very, very unambiguous about that. I think that has been their stated policy. Have you seen any change in that?

Mr. Kimmitt. I have not seen any change in France's stated policies. Of course they are not part of the integrated NATO structure, but I think they do keep themselves a mix of forces to meet various contingencies in Europe.

Senator McClure. They have said they want everybody to know, do not attack and assume that we will restrain ourselves in the use of nuclear weapons.

Mr. Kimmitt. Again, I have seen no change in their position whatever.

Senator McClure. Thank you very much.

Senator Inouye. Thank you. Mr. Secretary, as I have noted earlier, I believe that our defense policies and strategies must be reviewed in the larger national security context and I am certain all of us agree that the success and failure of our foreign policy will depend upon how we apply our defense policies and vice versa.

Having said that, I hope that this preliminary groping dialogue that we have just initiated will continue because I would like to have a better grasp of how our foreign policy is related to our defense policy and why certain weapons systems are necessary from a foreign policy standpoint.

So your discussion with us today has been most important and I thank you very much for your very thoughtful responses that you have made in these uncharted waters.

Mr. Kimmitt. Thank you, Mr. Chairman. I look forward to continuing the dialogue, both within the executive branch and between the two branches, toward our common goal of an effective defense and an effective national security policy for the United States.

SUBMITTED QUESTIONS

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

Questions Submitted by Senator Byrd

Question. Some argue that the commitments General Secretary Gorbachev made in his December 7, 1988, speech to the United Nations to reduce and reconfigure Soviet military forces in a more defensive posture will provide the basis for significant change in U.S. defense planning and spending. What kinds of evidence should we look for to verify that the changes Gorbachev has announced are being implemented? Please identify specific areas of the FY 1990 defense budget that might be prudently reduced in response to a reduced Soviet threat in Europe during the 1990's. Do you think it would be wise to begin shifting funds from combat readiness into research and development and modernization of weapon systems?

Some in the United States have criticized the practice of some NATO allies to extend loans to the Soviet Union on the grounds that it enables the Soviets to postpone so-called "guns vs. butter" trade-offs in spending. According to this view, denial of credits would strengthen western interests by compelling the Soviets to allocate scarce funds to consumer goods rather than defense goods. Do you recommend urging our allies to curb credits to the Soviet Union? Please discuss your views on loans to the Soviet Union by American banks and loan guarantees by the U.S. government.

Answer. We are looking for the following kinds of evidence; verified withdrawal of Soviet forces from Eastern Europe, shifts in Soviet force structure and weapons procurement, reduced investment in military R&D, changes in the character of military exercises and training.

We are carefully watching the withdrawal of Soviet tanks and other equipment from Eastern Euorpe and their return to the Soviet Union. How the Soviets will make the reductions is difficult for us to assess at this time. These unilateral reductions, if carried out, will be significant, but they will be difficult to verify, especially, if implemented in a piecemeal fashion rather than by complete units of significant size.

It is unclear what is meant by a restructured Soviet army that emphasizes defense. Though the Soviets are engaging in more defense oriented exercises than they have in the past, the preponderance of exercise time to date remains devoted to offensive or counter-offensive operations. We know of no model of a largely defensive military unit structure in either Eastern Europe or the Soviet Union.

The announced military reductions are designed to allow the Soviets to reallocate resources to the civilian sector. The need to reduce the burden of defense spending on the Soviet economy is apparent. Mr. Gorbachev is in the process of preparing the next Soviet five-year plan and is faced with difficult choices if perestroika is to have any chance of success.

In the final analysis the Soviets must match words with deeds.

Specific questions regarding the Defense budget and how it relates to our military posture are best answered by the Department of Defense.

Maintaining a strong, modern, and combat ready defense is essential to our security and freedom, The Administration is considering the question of the trade-off between combat readiness and research, development and modernization of weapons systems in its national security review, and it would be premature for me to try and provide you with our conclusions.

The U.S. does not oppose Western commerical lending at market rates aimed at supporting an expansion of non-strategic trade with the Soviet Union. The U.S. does strongly oppose the notion of subsidizing loans to the Soviet Union

We have a consensus with our allies on this issue. It was expressed most recently at the June 1988 Economic Summit in Toronto, where it was agreed that "East-West economic relations can be expanded and serve our common goals so long as the commercial basis is sound, they are conducted within the framework of the basic principles and rules of the international trade and payments system, and are consistent with the security interests of each of our countries."

More specifically, the OECD consensus on an arrangement for officially supported export credits, to which we, our European Allies, and Japan are parties, requires market rates for officially supported direct lending to developed "Category I" countries such as the Soviet Union. In 1982 the U.S. played a key role in moving the Soviet Union into "Category I."

We expect that whatever lending actually transpires over the next few years, under the recently announced Western lines of credit, will be consistent with the Allied consensus on East-West economic relations, and with the OECD rules against subsidizing loans to the Soviet Union.

U.S. banks hold relatively little Soviet Bloc debt. The total amount owed to U.S. banks by the Soviet Union was $475 million as of December 1988, and almost all of this was to finance U.S. exports.

In part, the low level of U.S. lending to the Soviet Union reflects the impact of several pieces of U.S. legislation; the Jackson-Vanik Amendment to the Trade Act of 1974, Section 613 of that Trade Act, the Stevenson Amendment to the EXIM Bank Act, and the Johnson Debt Default Act of 1934.

The Jackson-Vanik Amendment denies the right to "participate in any program of the government of the United States which extends credits or credit guarantees or investment guarantees" to non-market economies which do not permit their citizens to emigrate. Under the terms of Jackson-Vanik, the United States does not extend government-backed credits or credit guarantees to the Soviet Union.

Section 613 of the 1974 Trade Act and the Stevenson Amendment to the 1974 EXIM Bank Act set ceilings of $300 million on official U.S. credits or credit guarantees in support of U.S. exports to the Soviet Union. The Stevenson Amendment also places a limit of $40 million on lending and guarantees for the research and exploration of fossil fuel energy resources. A 1986 amendment to the EXIM Bank Act denies official loans or guarantees to a list of countries defined as "Marxist-Leninist," including the Soviet Union.

The Johnson Act prohibits private U.S. banks from granting certain types of loans to countries which have defaulted on their repayment of obligations to the U.S. Government, as the Soviet Union did shortly after the 1917 Bolshevik Revolution. Amendments and a series of ruling by the Attorney General have, over the years, narrowed the applicability of the Johnson Act. In practice, it prohibits any entity located in the United States from making general purpose loans to the Soviet Union, or from purchasing any Soviet bonds offered for sale in the United States.

As a result of the relevant legislation, banks in the United States making loans to the Soviet Union do so in support of U.S. exports, with no government subsidy or guarantee, at competitive market rates which reflect the Soviet Union's credit history and current rating.

Although the Attorney General had determined that the Johnson Debt Default Act does not apply to U.S. banks located outside the United States, little or none of recent Soviet borrowing has been held by U.S. banks abroad. While overseas branches of U.S. banks have been involved in some syndicated loans to the Soviet Union in the past few years, the fact that a bank takes part, or even acts as lead manager, in a syndicated loan, does not necessarily mean it holds a substantial portion of the loan. U.S. banks have been involved in syndicated loans primarily for the fees generated as lead managers, and they often choose to sell some or most of their loan shares to others. In general, the spread the Soviets have paid on such syndicated loans have not been very attractive to U.S. banks.

The Administration opposes proposals to place new non-emergency restrictions on U.S. bank lending, including to the Soviet Union, on the grounds that such restrictions would harm U.S. business without offering offsetting foreign policy or national security benefits. We believe that our national security and foreign policy concerns with regard to lending to the Soviet Bloc are served by the legislation we have in place, and by the guidelines we have worked out with our allies.

PERSIAN GULF

Question. The environment for U.S. policy in the Gulf has changed in recent months: the Iran-Iraq ceasefire of August 20, 1988; the discontinuance of formal escorting of U.S.-flagged ships in December 1988; and the return to Kuwaiti registry of six of the 11 tankers under the U.S. flag in early 1989. These events would seem to facilitate a reduction in the U.S. presence in the region at this time. How would you assess current U.S. interests or priorities in the Persian Gulf? Under what circumstances do you envision an enlarged U.S. role in that region? Please comment on the factors that contribute to a return to pre-1987 levels of the Middle East Force (command ship and some six combatants) and explain what provisions are being made to allow flexibility, in the event that an increased U.S. presence in the Gulf should become necessary in the future

Answer. U.S. priorities in the Persian Gulf remain the same: the free flow of oil through the Strait of Hormuz and the principle of freedom of navigation are of vital strategic importance, not only for the U.S. but also for our Western allies. Moreover, we remain committed to the security, stability, and territorial integrity of the states in the region, free from hostile influence or intimidation.

Our force levels in the Gulf region reflect our assessment of the threat to our interest and to the stability and security of the region. Although Iran and Iraq have not signed a formal peace treaty, the ceasefire is holding and the Gulf region is relatively stable. Consequently, the number of U.S. ships in the Persian Gulf has been reduced gradually to a level that approaches our historical force levels in the Persian Gulf.

Should an increased U.S. military presence in the Persian Gulf be required in the future, we retain the flexibility to augment our forces, drawing upon naval assets in the Indian Ocean and elsewhere. Our European allies and our friends in the Gulf support our unwavering commitment to the stability of the region and understand that we are able and willing to increase our forces in the region should circumstances so dictate.

PHILIPPINE BASES

Question. In the recent U.S.-Philippine negotiations on base rights for the 1989–91 period, U.S. negotiators emphasized burden sharing and budgetary inability to increase U.S. aid substantially. The U.S. position clashed with Filipino perceptions of treatment as a second-class ally far down in U.S. priorities. The agreement provided for $471 million in military and economic aid annually, an amount close to the original U.S. negotiation position. It also sets forth the so-called "Spanish formula" for the stationing of U.S. nuclear weapons. The United States can store nuclear weapons aboard ships and planes but not on land without Philippine permission. Negotiations over base rights after 1991 will begin in late 1989 or early 1990. The nuclear weapons and aid issue could be influenced by the status of the proposed multilateral aid program to the Philippines.

The Bush Administration has proposed to Congress $200 million in economic aid for the first two years of the multilateral program and is negotiating with other governments for their participation. The Philippine Government also may seek veto authority over U.S. military operations conducted from the bases. The negotiations could produce three different outcomes: (1) an immediate termination of base rights; (2) a five or ten year agreement specifically designated as a period for phasing out the U.S. military presence; and (3) a long term agreement for U.S. rights to Subic and Clark bases or to one of the two.

What influence do you expect the proposed multilateral aid initiative to have on the prospects for future base negotiations. Please describe Philippine reactions to the Administration's proposed $200 million in aid for the first two years of the program.

How would you evaluate Filipino sentiment towards a renewal of base rights after 1991? Please discuss the issues that are likely to be the focus of the next round of base negotiations with the Philippine government, noting the major domestic considerations of the Aquino government and the probable role of the Philippine Senate in the base issue.

What are the alternatives to Philippine bases if the United States loses base rights after 1991? Please estimate the probable cost of developing and maintaining alternative bases and discuss their ability to perform the functions that Subic and Clark bases presently perform.

Answer. The MAI is not related to our military presence in the Philippines. It is a multilateral program to ensure the future of democracy in the Philippines by promoting economic reforms and growth. The promotion of a stable and prosperous Philippines is clearly in the U.S. interest.

The Administration has requested $200 million in FY 1990 as our initial contribution to the MAI. This request is for "no year" money, to provide flexibility to accelerate or delay disbursements in accordance with Philippine Government performance in implementing its reform program. The requested U.S. contribution has been very well received by senior officials of the Philippine Governement, including President Aquino.

Filipino sentiment regarding the continued presence of the bases is indicated by public opinion surveys. In a poll conducted in March, 1989, 43 percent of those responding want to maintain the bases and the "status quo," 26 percent indicated that whether the bases should remain depends on the benefits, 16 percent want them removed in 1991 and 10 percent want them removed now.

We anticipate that the major issues in our negotiations with the Philippine Government will be: (a) the duration of the agreement; (b) operational control by the Armed Forces of the Philippines; (c) "sovereignty" issues (e.g., criminal jurisdiction); and (d) compensation.

The Philippine Constitution adopted in 1986 requires that for the facilities to remain in the Philippines after 1991, a "treaty duly concurred in by the Senate" must be concluded. The Philippine Government has indicated that it will respect this Constitutional requirement and submit an agreement to the Senate.

We have other options available which would allow us to maintain our presence in the region and fulfill our commitments. These include enlarging existing facilities and establishing new facilities in the region. Such options might offer some advantages over the current basing arrangements by spreading our defense facilities over a larger geographic area and by reducing our reliance on a small number of facilities. Nevertheless, redeployment of our forces elsewhere would be costly, given the large initial investment that would be necessary to either expand existing facilities or build new facilities in other locations. The Department of Defense submitted cost estimates to Congress in 1988, but these remain classified. These cost figures are still being studied by the Department of Defense; the results of their study will be submitted in a report to Congress by June 30, 1989. The presence of our facilities in the Philippines is in the national interest of the Philippines as well as our own. Our presence is also vitally important to other nations of the region. We will do our best to see that they remain.

FIGHTER SUPPORT EXPERIMENTAL [FSX] PROGRAM

Question. The Bush Administration has decided to proceed with a co-development program with Japan to produce a new fighter plane known as the Fighter Support Experimental or FSX. The FSX issue has become controversial because some believe that the program will result in the sale and transfer of American technology to the Japanese for a relatively small price. The Japanese plan to produce at least 130 aircraft based on the U.S. F-16C airframe produced by General Dynamics. It is also believed, by critics of the program, that Japanese defense requirements could be better met by purchasing upgraded U.S. aircraft "off the shelf." Although American industry is supposed to gain access to Japanese technology from the program, particularly in the areas of composite aircraft wings and phased-array radar, some argue that these possible benefits do not adequately compensate the United States for what it will be providing to Japan through the FSX program. Indeed, critics argue, that the FSX program will hasten the day when Japan will be a major competitor of the United States in the international aerospace market—a market which the United States currently dominates. In light of the massive trade deficit between Japan and the United States, why has the United States not insisted on Japanese procurement of a large number of U.S. aircraft to fulfill the defense requirement the FSX aircraft is supposed to address? What detailed guarantees does the United States have that it will significantly benefit from access to Japanese technology as the result of American industry's participation in the FSX program?

Answer. We made a good-faith effort to induce the Japanese to buy the F-16 off the shelf. The Japanese, however, have not purchased a U.S. fighter aircraft off the shelf since 1955, and they originally intended to develop the FSX completely indigenously. In an ideal world, all of our allies would maximize defense expenditures by direct purchase from the U.S. In fact, most do not. Japan, however, remains one of our largest, and a cash paying, defense equipment customer.

We will have guaranteed access to all technology involved in the program, free for technology derived from F-16 technical data and available for purchase in the case of technology which Japan brings indigenously to the program. We are particularly interested in manufacturing technologies associated with the co-cured composite wing and the radar. While the technologies themselves are well known in the U.S., Japan plans to apply those technologies in ways that U.S. industry has not yet undertaken. If successful, those applications could have significant benefit for us.

QUESTIONS SUBMITTED BY SENATOR DECONCINI

NATIONAL SECURITY REVIEW

Question. In your statement, you refer to the Bush Administration's comprehensive national security review which is due to be completed in the near future.

At this point, can you detail to what extent, if any, this review includes development of methods or a policy to reduce the proliferation of missiles in the Third World?

What specific steps or actions will the Administration recommend be taken to reduce the influence of these weapons?

Answer. Our review of U.S. defense policy has reaffirmed the growing threat of advanced weapon proliferation (nuclear, CBW and missiles) to U.S. security interests. In comparison to its nuclear non-proliferations efforts, the U.S. is only beginning its efforts to control missile proliferation, but we do have policies in place. We intend to examine the efficacy of these current missile non-proliferation policies, and look at other, potential policy options.

Among the current policies to be reviewed will be the Missile Technology Control Regime (MTCR), regional initiatives to counter regional missile races, and bilateral efforts with key supplier countries and potential proliferators. Besides those countries which are already adherents of the MTCR, key supplier countries include other developed Western nations, the Soviet Union and the PRC. Possible next steps under review include: ways to expand the MTCR, multilateral non-proliferation approaches besides the MTCR, ways to obtain further Soviet and Chinese cooperation, ways to encourage regional restraint, approaches to new, non-traditional suppliers, and the use of security assistance as a non-proliferation tool. I cannot yet tell you what our specific policy recommendations will be, but I can assure you that stopping the spread of missiles is an important priority for this administration.

OVERSEAS BASES

Question. One of the issues you highlight in your testimony is that of security cooperation and burdensharing. In that section, you refer to the United States defense commitments overseas and our policy of forward deployment of U.S. forces. In an effort to achieve much needed savings, we are in the process of closing supposedly out-dated and unnecessary military bases in the United States. There reportedly are a number of overseas military bases which some have suggested fall into this category.

Could you detail which bases have been determined to serve no actual military purpose?

Have certain overseas bases been studied or targeted by the Administration or Defense Department for recommended closure based on their lack of military necessity?

Answer. The Department of Defense undertook a study of the U.S. overseas bases structure in 1988. The study evaluated the overseas basing networks efficiency and effectiveness in support of our national security strategy and considered the question of whether any overseas bases could be consolidated or closed without degrading the U.S. military commanders' ability to carry out their assigned missions. The study concluded that as our posture abroad and our operational plans change it may be possible to realign or close some facilities, but in general, the present overseas basing structure is required to support U.S. forces abroad and current operational plans. Questions regarding decisions on specific bases are best directed to the Department of Defense.

Mechanisms exist in the regional unified commands to review regularly the efficiency and effectiveness of the basing structure. In Europe, the Army and Air Force annually review their basing requirements, and in the Pacific, basing requirements are reviewed in regular meetings with Japan, Korea and the Philippines. As a result of such reviews, 19 installations in Europe have been closed since 1985, with 12 more scheduled for closure by 1993 and another 20 under consideration for closure. In addition, the Department of Defense prepared a study of the entire U.S. overseas bases structure in 1988. Copies of the 1988 study of the U.S. overseas bases structure were sent to the Committees on Armed Services of the Senate and House of Representatives in October of that year. For further information on this study and its conclusions, I refer you to the Department of Defense.

PHILIPPINES-U.S. MILITARY FACILITIES AND THE MAI

Question. At this point, the United States is engaged in talks with the Government of the Philippines over the long term status of our bases in the Philippines. The Bush Administration has also proposed a "Marshall Plan" for the long term economic and social development of the Philippines.

Could you provide me with a report on the status of the base talks and the probability of our maintaining the bases in the islands?

What would it cost the United States if we had to remove the bases from the Philippines and relocate them elsewhere in the southern Pacific?

What is the interrelationship between a robust Filipino economy and the eventual end of the communist insurgency in the islands? Have other allies in the Pacific, such as Japan, and elsewhere been approached about the possibility of joining the U.S. in a multilateral effort to aid the Philippine economy?

Answer. The United States and the Government of the Philippines in October, 1988, successfully concluded a review of the Military Bases Agreement (MBA) which governs U.S. use of military facilities in the Philippines.

The fixed term of the MBA expires in 1991, after which the MBA has an indefinite term, subject to one year's notice of termination by either party. The new Philippine Constitution of 1986 states, however, that "after the expiration in 1991" of the MBA, no foreign facilities may be allowed except under a "treaty duly concurred in by the Senate." As a consequence, the Philippine Government takes the position that the current MBA "expires" in 1991. President Aquino recently indicated that negotiations for a new agreement for the continued presence of U.S. facilities in the Philippines will begin before the end of 1989. We are ready to begin these negotiations and hope to negotiate a new MBA prior to 1991.

Redeployment of our forces elsewhere would be costly, given the large initial investment that would be necessary to either expand existing facilities or build new facilities in other locations. The Department of Defense submitted initial cost estimates to Congress in 1988, but these remain classified. Cost figures are still being studied by the Department of Defense; the results of their study will be submitted in a report to Congress by June 30, 1989.

We believe that a robust economy, in which economic growth is broadly based and of benefit to all Filipinos, is vital for the Philippine Governments ability to successfully bring the Communist insurgency to an end. Following several years of economic contraction and severe economic hardship under the Marcos regime, broadly based economic growth is now beginning to occur. The Philippine economy grew 5.6 percent in 1987 and 6.7 percent in 1988, due in large part to the economic reforms instituted by the Aquino Administration. The benefits of this growth appear to have been widely distributed, but a vast number of Filipinos still live in poverty. Economic assistance, foreign investment and continued improvements in Philippine policies are needed to maintain the momentum in economic growth.

The U.S. and Japan, along with the World Bank and IMF, are organizing such an effort, the Multilateral Assistance Initiative (MAI). Japan, already the largest bilateral donor of development assistance to the Philippines, will be a very important donor in the MAI. Some non-traditional donors of development assistance, such as Korea and Singapore, have also expressed interest in the MAI. Several other countries, in the Pacific region and elsewhere, have expressed interest in joining the Initiative. The U.S. contribution to the MAI will encourage the participation of these donors. The largest financial flows under the MAI, however, are expected to come from the private sector as Philippine policies, improved infrastructure and increased confidence make the Philippines a more attractive investment location.

SUBCOMMITTEE RECESS

Senator INOUYE. We thank you very much. We thank your father and your brother here. We will stand in recess until 10 tomorrow morning, at which time we will receive testimony on the SDI.

[Whereupon, at 3:35 p.m. Wednesday, May 10, the subcommittee was recessed to reconvene at the call of the Chair.]

DEPARTMENT OF DEFENSE APPROPRIATIONS FOR FISCAL YEAR 1990

THURSDAY, FEBRUARY 9, 1989

U.S. Senate,
Subcommittee of the Committee on Appropriations,
Washington, DC.

The subcommittee met at 10:02 a.m. in room SD–192, Dirksen Senate Office Building, Hon. Daniel K. Inouye (chairman) presiding.

Present: Senators Inouye, Johnston, Bumpers, Lautenberg, Stevens, Kasten, D'Amato, Rudman, Cochran, and Specter.

DEPARTMENT OF DEFENSE

Review of President Reagan's Budget Request

STATEMENT OF DR. JOHN D. STEINBRUNER, DIRECTOR, FOREIGN POLICY STUDIES PROGRAM, THE BROOKINGS INSTITUTION

OPENING STATEMENT OF SENATOR INOUYE

Senator Inouye. The subcommittee will please come to order.

This morning the Subcommittee on Defense Appropriations will review President Reagan's request for fiscal year 1990 of our Nation's defense programs. This spending plan presents the Congress with many major national security decisions in all aspects of defense programming, such as fiscal, military, and arms control, just to name a few.

This evening we hope President Bush will share with us his initial recommendations about defense spending for fiscal year 1990.

The Senate will have its own unique perspective, obviously, on the final composition and total spending level of the fiscal year defense program. I would like to point out at this juncture that it will be my priority to ensure that whatever defense plan emerges from our deliberation, we will strike the proper balance meeting the daily operational combat readiness requirements of today's forces and the research, development, and procurement requirements of tomorrow's men and women in uniform. This appropriate balance must address adequately the top priorities of our operational commanders in chief.

Today's hearings and those which will follow are intended to set the stage for our consideration of how the fiscal year 1990 defense program should address both the present and future military requirements.

With so much attention focused here and overseas on conventional arms control prospects, the subcommittee has invited three respected nongovernment experts to discuss the military and diplomatic impacts of the unilateral troop reductions announced in December by Soviet General Secretary Gorbachev.

In the next few weeks we shall hear from our senior operational commanders-in-chief about their current capabilities to accomplish their combat missions and their priorities for striking the balance between present and future defense needs.

This morning, we hope to hear whether the Gorbachev initiatives are militarily meaningful, when and how the United States and its allies should respond to them, and if we may prudently modify the fiscal year 1990 defense budget request as part of this response.

We have with us this morning Dr. John D. Steinbruner, director of the foreign policies program at the Brookings Institution; Dr. James A. Thomson, executive vice president of RAND Corp.; and Dr. Donald S. Zagoria, professor of government at Hunter College and the Graduate Center of the City University of New York.

Dr. Steinbruner will present to us an overview of the Gorbachev initiatives and their implications. Dr. Thomson will focus on the implications for NATO allies. And Dr. Zagoria, an authority on East Asia, will discuss the impacts of the Soviet proposal on the United States, its allies and other nations in that region.

And I would ask consent at this time that three relevant publications, one by each of these experts, be printed in the hearing record at the appropriate place.

[CLERK'S NOTE: At the direction of the chairman, the aforementioned publications have been retained in the subcommittee files.]

Senator INOUYE. This committee has received all of your prepared statements, and I would like to assure you that your full statement will be made part of the record.

Do you have anything to say?

Senator RUDMAN. No.

INTRODUCTION OF SENATOR SPECTER

Senator SPECTER. Just a word, Mr. Chairman. I would like to commend you for having these important hearings at an early date.

I believe that General Secretary Gorbachev's initiatives are very significant, have potentially very profound implications, both militarily and politically. We see at the surface certain meanings, but it is very useful to have some expert evaluations. In reviewing the curriculum vitae of these men, I see very substantial backgrounds and experience, and I am looking forward to hearing their testimony.

Thank you, Mr. Chairman.

Senator INOUYE. I am pleased to call upon the ranking member of the subcommittee, my dear friend, Ted Stevens.

Do you have anything?

INTRODUCTION OF SENATOR STEVENS

Senator Stevens. Mr. Chairman, I am delighted to have a chance to stop by. I am conducting hearings in the Rules Committee on the Senate committee budgets, as you know. So, I will have to return there.

But I want to commend you for starting these hearings in this vein. As I indicated to you and other members of the committee, it was my privilege to spend some time this past year at the Aspen Institute meeting on U.S.S.R./U.S. relations. And I found it was a very interesting experience, particularly in light of the feeling expressed by the academicians that were there that this is no time for the United States to let down its guard militarily.

I am looking forward to reading these comments that are coming before you. I believe you are on the right track to examine the question of what has been the Soviet performance of these initiatives. Our task is to determine whether there is any current indication that the changes going on in the Soviet Union would have an impact on our budget here.

Thank you.

Senator INOUYE. Thank you.

Senator Johnston?

Senator JOHNSTON. No, thank you, Mr. Chairman.

Senator INOUYE. Senator Kasten?

Senator KASTEN. I have no comment at this time, Mr. Chairman. Thank you.

Senator INOUYE. I would like to welcome Senator Bumpers and Senator Lautenberg to this subcommittee.

Senator Bumpers?

INTRODUCTION OF SENATOR BUMPERS

Senator BUMPERS. Mr. Chairman, I won't take the subcommittee's time. I want to compliment you for having a hearing on this precise question.

And I have not read the so-called Aspen Institute studies which the Senator from Alaska says are uniformly in agreement that this is no time to cut defense. I have always wanted to ask the question: When is a good time? That is what I've heard now for 14 years since I've been in the Senate. This is no time——

Senator JOHNSTON. This is no time for a pay raise.

Senator BUMPERS. Yes; they go hand in glove.

LOST OPPORTUNITIES

But I want to make sort of a philosophical observation about this, and that is throughout history, there have been problems because leaders didn't seize opportunities as they presented themselves. You don't have to be a rocket scientist to be President, but you do have to be bold. And if you are not courageous and if you are not bold and if you are not willing to accept new thinking when it is presented and new opportunities as they are presented, then, of course, we are trapped in the same old 4,000-year mold that Barbara Tuckman talked a lot about. So, I hope that President Bush will seize what I think is the opportunity to take advantage.

Gorbachev is not taking the initiatives he is taking to accommodate us. He is taking them because the Soviet Union was rapidly becoming a third-rate power and may already be, except in the military sphere. The Soviets have deficits bigger than ours comparably speaking.

And I think there are a number of responses that we could make which would enhance his chances for survival. I don't agree with people who say we don't have any responsibility, we don't have any obligation to do anything. Well, I can tell you if Gorbachev doesn't make it—and that's a real question right now—I think I know what is going to happen in the Soviet Union. And I can't think of anything happening in the Soviet Union that is going to redound to our benefit if he doesn't make it.

And he has his detractors and he has his hawks just like President Bush has, but I think there are some small but rather meaningful responses that the United States could take in light of the Gorbachev initiatives that might help him a little bit and certainly would give the whole world, and our NATO allies especially, a little feeling of security. Right now Gorbachev has succeeded in making our NATO allies say we don't know whether we want to modernize short-range missiles in our country or not.

Well, I won't wax any further on that except to say that that is going to be my theme song throughout this year.

Senator INOUYE. Senator Lautenberg?

Senator LAUTENBERG. I have no statement.

Senator INOUYE. Senator Cochran?

Senator COCHRAN. Mr. Chairman, I don't have a statement. I appreciate your convening this hearing, though. I think it is a very worthwhile exercise for us.

Senator INOUYE. Thank you very much.

OVERVIEW OF GORBACHEV INITIATIVES AND THEIR IMPLICATIONS

STATEMENT SUMMARIZED

Senator INOUYE. Now, if I may, I would like to call on Dr. Steinbruner.

Dr. STEINBRUNER. Thank you, Mr. Chairman. I have submitted my statement for the record. With your permission, I would like to summarize it very briefly.

It says that the unilateral reductions which were announced on December 7 by Mr. Gorbachev and elaborated by the East European allies thereafter are the first concrete manifestation we have of a dramatically revised Soviet security that has been emerging over several years now.

By themselves, these unilateral initiatives accomplish one important effect. They diminish the threat of surprise attack which has been in recent years NATO's most frequently articulated concern. In the wake of these reductions, if they are implemented as announced, NATO should not suffer a surprise attack if it manages itself adequately. There will be ample warning of any Soviet operation given the withdrawals that have been announced.

IMPORTANT OBJECTIVES REMAIN

That leaves, however, important objectives yet to be accomplished that are implied by the underlying Soviet security conception. Specifically, if the idea is to be fully implemented, a more radical stabilization of the fully mobilized conventional balance in central Europe should be undertaken. This stabilization would involve further reductions in ground unit capability on the Warsaw Pact side, as well redeployments and some reconfiguration of those forces that would remain. The Soviet conception also extends to strategic forces beyond Europe and implies both a dramatic reduction in technical constraint on these forces.

Full implementation of these arrangements almost certainly cannot be unilateral in character, almost certainly would require mutual agreement. We must anticipate, therefore, that Mr. Gorbachev will pursue these ideas diplomatically in the months and, indeed, probably in the years ahead. We can expect his initiative to be both sustained and forceful. It reflects an attempt to rationalize Soviet security policy, and it is very solidly grounded. There is, in my opinion, no reason to doubt the seriousness or the political will or the capacity to implement it and sustain it over time.

Gorbachev's security policy envisages a more restricted mission for Soviet forces than the one they have traditionally held, a lower force structure, more focused technical investment, and more reliance on mutual restraint. That configuration would produce better security for the Soviet Union at lower cost. We must assume that they are very interested in achieving such a result.

We can also expect Soviet initiatives to be increasingly effective in Europe. The underlying idea is inherently appealing and in the hands of a very skillful politician, that fact will be made increasingly apparent. Unfortunately, against the background of prevailing security policy in Europe, Soviet initiatives, at least for the moment, are likely to be quite divisive within NATO, primarily because the West Germans and the French have different inclinations.

These facts constitute a major political challenge to the United States alliance leadership and we should recognize that our traditional security policies will not be sufficient. We will have to evolve our own thinking in order to preserve the coherence of the alliance.

MAJOR OPPORTUNITY FOR UNITED STATES

In my view, this situation presents first and foremost a major opportunity to the United States, perhaps even an imperative, but certainly an opportunity. The appropriate reaction would be to seize the initiative. We should use the underlying ideas in Gorbachev's policy to define a specific level of forces in Europe that would meet Western interests. We should present such a program to the Soviets as a test of the seriousness of their intentions.

Full implementation of Gorbachev's ideas would require an additional reduction in the fully mobilized capability of Warsaw Pact forces of about 30 divisions, 10 of which might be active forces, 20 of which reserve forces. I would anticipate that the offsetting reduction on the NATO side necessary to make the overall arrangement equitable, would most appropriately involve ground attack aircraft—the principal focus of Soviet concern. And I would imagine that NATO could afford to remove 1,000 aircraft in exchange for 30 divisions. That would be roughly 14 tactical airwings, something like one-half of current NATO capability.

I would imagine as well that part of the overall package should be a reduction of strategic forces along the lines of the anticipated START agreement and commensurate constraints on offensive modernization programs to emphasize protection of forces and to constrain the elaboration of offensive capability within the reduced force structure.

That program would provide better security at lower cost for the West as well as for the Soviet Union. In fact, if fully implemented, it has the potential of saving the U.S. defense budget about $15 billion a year in direct savings against a constant budget track. In indirect savings, which are much harder to calculate, the relief of the sense of threat, might allow us to be more sensible about the allocation of weapons procurement and to reduce its pace. These steps offer much greater potential savings, upward of $40 billion a year if we take full advantage of the efficiencies that a reduced pace of weapons procurement within the United States would allow.

Perhaps even more important than these budget savings in the long term, however, a U.S. initiative would provide a constructive context for U.S. alliance leadership and would contest Mr. Gorbachev's political vision of a better security and a better international order. And I think it is urgent in maintaining our own alliance leadership that we provide that competition.

Thank you, Mr. Chairman.

Senator INOUYE. Thank you very much.

[The statement follows:]

STATEMENT OF JOHN STEINBRUNER, THE BROOKINGS INSTITUTION

I am very pleased to be able to contribute to the Senate Defense Appropriations Subcommittee's deliberations. As I am sure you know, I do so on the basis of my own personal judgment and not as a representative of the Brookings Institution or any other organization.

To summarize my perspective, I believe that the initiatives taken by Mr. Gorbachev in recent months to reduce and reconfigure conventional forces in Europe reflect a fundamental change in the central logic of Soviet security with strong, and on the whole very positive, implications for the United States and NATO. The new Soviet security conception is solidly grounded in a hard-headed assessment of their national interests, and there is no reason to doubt either the will or the political capacity to bring about the implied changes in Soviet military forces. If fully implemented, Gorbachev's program can provide better security at lower investment costs for both the opposing alliances. Full implementation, however, will undoubtedly require corresponding changes in the size, configuration, and operational logic of NATO forces. There is little risk to NATO in assertively exploring a comprehensive arms control arrangement that would formalize mutual force reductions and operational restraints. Failure to achieve such an agreement would not worsen international security conditions; failure to pursue the opportunity would undermine U.S. political leadership.

THE SOVIET SECURITY CONCEPTION

At the root of the new Soviet security conception is an altered diagnosis of the nature of threat. Apparently, recognizing that their armed forces and those of the United States possess overridingly powerful deterrent capability, the Soviets have discounted the possibility of war arising from calculated aggression and have judged the greater danger to be the failure of control under the pressures of intense crisis. They have implicitly acknowledged that their own operational posture in central Europe contributes significantly to this danger. Soviet forces in Europe have been committed to rapid offensive attack against Western Europe in the initial stages of war, following their traditional assessment that a quick victory in Europe was the only chance of avoiding an inevitable defeat in a long war of attrition against the superior economic and technical capability of the United States and its allies. In order to diminish the possibility that this offensive operation might trigger a war that could otherwise be prevented, the Soviets have announced the intention to transform their forces into a strictly defensive configuration in which they are committed to holding the territory of their alliance but not to a forward offensive against NATO territory. Supporting that doctrinal shift are broader principles of security subordinating unilateral military action to cooperative political arrangements, and accepting some risk regarding the ultimate outcome of a war in order to improve the chances of preventing it.

The unilateral force reductions that have emerged in increasing detail since Gorbachev's U.N. speech on December 7 have given very specific and very meaningful manifestation to this security logic. In designating the units that will be withdrawn, in determining that the equipment removed will be integral to these units, and in orchestrating commensurate reductions from every other WTO member except Rumania, the Soviets have clearly struck at the heart of NATO's long-standing concern about a surprise attack and therefore at the crisis dynamics which constitute the primary source of danger under the new assessment. Given the rapidly advancing state of intelligence monitoring, these reductions once completed will effectively remove the possibility of an attack that catches NATO in a completely unmobilized state. In denying themselves that option, the Soviets have given serious evidence that they are indeed transforming the operational posture of their forces. A considerable amount will remain to be accomplished, however. By Western assessments, at least, the reduced Soviet forces will still possess an advantage in total fire power that in principle could be concentrated in the amounts required to sustain attack. The unilateral reductions are best seen as a down payment for a more comprehensive and more decisive result.

It is not difficult to anticipate in broad outline what that result might be. If conventional forces in Europe are to be brought to a state in which both alliances can defend their territory with high confidence and neither can stage a successful offensive against the other, then an additional reduction in the fully mobilized capability of WTO ground units would probably be required. Estimates of the necessary size of this reduction vary according to the method of calculation used, but nearly all opinion would be satisfied if an additional 30 WTO divisions were removed, 10 from active forces, and 20 from reserve units. In order to make an equitable contribution to this result, NATO most logically would cut its deep strike ground attack aircraft inventory by about 1000 aircraft, roughly half of the current inventory. That reduction would diminish the element of NATO forces that is most threatening to Soviet operations and that is most inclined to early, even preemptive engagement.

A decisive result would also reduce the strategic forces of both alliances in order to remove the threat each poses to the other's strategic weapons while leaving the capacity to perform other missions associated with the objective of deterrence. The principle involved is similar. Strategic forces should be of sufficient size and configuration that they can conduct decisive retaliation but cannot reasonably attempt a preemptive attack against the opponent's deterrent capability. Again opinion varies on the size of the appropriate reductions, but in this case opinion is disciplined by a hard physical fact. After attacking about 2000 priority targets, there is very little that can be meaningfully added to deterrent capability. With that criterion in mind, it is perfectly safe to reduce current strategic forces by 50% and probably desirable to reduce them by 75%.

We do not yet know how precise the Soviets have been in their internal planning but their articulated security conception clearly supports conventional and strategic force reductions approaching these magnitudes. Such an outcome would focus the Soviet defense effort on missions that can actually be accomplished as distinct from the idea of a quick decisive victory in Western Europe that is highly uncertain at best. The outcome would also enable some economic resources to be redirected to domestic priorities and thereby assist the cause of economic reform. Because the underlying logic is sound, even compelling, the impulse to rationalize the Soviet security posture along these lines is likely to be both strong and enduring. With Gorbachev as the Soviet leader it will predictably inspire continued diplomatic initiative that will probably be increasingly effective in political terms. Even if a more cautious and conventional leader should replace Gorbachev for whatever reason, it is prudent to expect Soviet security policy to continue on the basic course he has set.

IMPLICATIONS FOR THE UNITED STATES

Speaking very generally, these developments in Soviet policy have two important implications for the United States. They offer an opportunity to relieve pressures on the U.S. defense budget at a moment when the fiscal deficit and external trade balances are imposing increasingly binding financial constraints. They also offer an opportunity to relieve the sense of threat in central Europe at a moment when new visions of economic and political order are emerging.

The significance of the first opportunity will be particularly apparent to members of this committee. As I am sure you realize, the major weapons procurement commitments established in the course of the 1980's substantially exceed the financial resources that will realistically be available in the 1990's. During the 1980's, U.S. domestic savings have dramatically declined (from 8% of national income to 2%) and must be restored if the U.S. economy is to be brought into stable alignment with the rest of the world. Reduction of the fiscal deficit is a major element in that restoration and sharp constraint on the defense budget is an inevitable result of deficit reduction. Of the more than $900 billion required to finance currently planned weapons programs over the next 10 years, less than $400 billion is likely to be available for that purpose, requiring a dramatic revision in the internal allocation of the defense budget. There are internal efficiencies that could be imposed to achieve the necessary budget reductions even if the level of threat should be considered undiminished and U.S. security commitments unaltered. The U.S. defense planning system, however, has never displayed the discipline necessary to produce such a result. It is far more likely that these efficiencies will be realized if the threat is significantly diminished and if U.S. forces are reduced accordingly. Conservatively estimated, the strategic and conventional force reductions I have outlined as the logical result of a comprehensive arms control agreement would provide roughly $15 billion per year in direct savings against a constant defense budget and at least the potential of an additional $40 billion per year in indirect savings from more efficient internal allocations. That is an opportunity that cannot lightly be ignored, and in fact will not be.

The second opportunity is less immediately apparent and more abstract, but probably no less consequential. The security of the United States is obviously affected by the coherence of our alliances and that is in turn bound to be affected by Gorbachev's diplomatic initiatives. The emerging Soviet security conception has inherent appeal in Western Europe from whence many of its formulations have been borrowed. So also does the cooperative diplomacy and the integrative economic policy that accompanies it. So far major European allies have had distinctively different reactions, the Western Germans cautiously interested in the prospect of conventional force reductions and the French intensely suspicious that the pursuit of such measures will undermine the legitimacy of European nuclear forces. To preserve the coherence of an alliance whose major members have fundamentally different inclinations is obviously not an easy task. It is, however, an unavoidable mandate that cannot be accomplished under the circumstances by relying on cautious procedure or by unleavened devotion to traditional security principles. The reason why this is so can be found in the politics of West Germany.

As the focal point of any engagement of conventional forces and as the prime target area for the nuclear weapons remaining in Europe, the West Germans are bound to be interested in the diminished threat that Gorbachev promises. That interest, moreover, is bound to be magnified by sharp declines in the German population eligible for military service, declines that make reductions in West Germany's active military force virtually inevitable. The idea of transforming conventional forces into a defensive configuration was developed in West Germany well before Gorbachev gave it serious political momentum, and it has inherent appeal to mainstream opinion that cannot be ignored. So also does the related theme of eastward economic engagement. To resist these themes or to appear to be doing so in defense of the prevailing military confrontation would eventually put the credibility of American policy in Europe very seriously at risk.

It is obvious to many who have thought about this situation that the United States should recapture the initiative. We should specify substantial force reductions, redeployments, technical constraints, and verification rules that would diminish the danger of preemptive offensive operations, reduce the costs of the national defense effort, and allow the residual military balance to recede into the background of international politics. We should present such an arrangement to the Soviet Union as a test of their intentions and appropriate for our own policy the very constructive principles involved. They are in fact our principles and it is we who should be making effective political use of them.

BIOGRAPHICAL SKETCH

John Steinbruner has been Director of the Foreign Policy Studies program at the Brookings Institution since 1978. He received an A.R. in Psychology from Stanford University and a Ph.P. in Political Science from the Massachusetts Institute of Technology.

Mr. Steinbruner was Associate Professor in the School of Organization and Management and in the Department of Political Science at Yale University from 1976 to 1978. From 1973 to 1976 he was Associate Professor of Public Policy at the John F. Kennedy School of Government, Harvard University, where he also was Assistant Director of the Program for Science and International Affairs. He has held the positions of Executive Director of the Research Seminar on Bureaucracy, Politics, and Policy, at the Institute of Politics, Harvard University, and Assistant Professor of Political Science and Research Associate at the Center for International Studies, MIT.

Mr. Steinbruner is the author of The Cybernetic Theory of Decision: New Dimensions of Political Analysis (1974) and co-author (with Michael M. May and George F. Bing) of Strategic Arms Reductions (1988), editor of Restructuring American Foreign Policy (1988), and co-editor (with Ashton B. Carter and Charles A. Zraket) of Managing Nuclear Operations (1987), and (with Leon V. Sigal) of Alliance Security: NATO and the No-First-Use Question (1983). He has written numerous articles and monographs for professional journals, including "The Principles of Defensive Deterrence" (The Brookings Review, Summer 1987), "Arms Control: Crisis or Compromise" Foreign Affairs, Summer 1985), "U.S. and Soviet Security Perspectives" (Bulletin of the Atomic Scientists, vol. 41, no. 7, August 1985) and "Launch Under Attack" (Scientific American, vol. 250, No. 1, January 1984).

Mr. Steinbruner is a member of the Council on Foreign Relations, the International Institute of Strategic Studies, and the Committee on International Security and Arms Control of the National Academy of Science.

PROPAGANDA EDGE TO SOVIETS

Senator INOUYE. I think all of us will agree that concerns on the part of the United States as to whether Mr. Gorbachev's proposals are real or imaginative have somehow inhibited our response, and thereby, I believe, have given the Soviets a lot of propaganda advantages which undercut propositions that we have made to NATO to modernize the conventional and nuclear forces.

It appears that the conventional wisdom among those that I've talked to would be to wait until more of the details become known. If the proposals are long lasting and, as you say, there is some permanence to it, then there is almost no risk on the part of the United States and NATO to cut down our defense appropriations. However, if they are short lived and easily reversible, I think it would be much more difficult for democracies, such as NATO countries, including the United States, to increase military expenditures in peacetime or to respond adequately to it.

I read your statement and it is unique compared with your fellow colleagues in that yours is very optimistic and you have tried to give your justifications for such optimism.

IMPLEMENTATION TIMETABLE

Mr. Gorbachev said it would take 2 years to implement the reduction proposal. How long do you think it would take the Soviets to reverse this if they wished to reverse it? And is it also not true that ongoing Soviet weapons production levels are not expected to change in the next two years?

Dr. STEINBRUNER. I think that the reversal would take at least as long as and probably longer than the original reduction would take once that reduction has been fully implemented. So, if the Soviets went through the unilateral reductions and then, for whatever reason, decide to reverse that process, if they had really implemented the reductions and disbanded the units, destroyed the equipment or reprogrammed it into civilian uses, unless they were operating on a truly emergency basis, it would take them at least as long as to build back up.

Let me note that my optimism was not connected with the thought that we should undertake dramatic unilateral actions ourselves. My optimism concerning the potential for a mutual arrangement whereby we reduce forces by agreement. The agreed terms would be a treaty arrangement with associated verification provisions. It would improve the warning that we would have for any reversal in Soviet policy. In that context, I think we could accomplish a great deal. I am not suggesting that we ought to act unilaterally.

Senator **Inouye**. At what stage would reversing be difficult on the part of the Soviets? Two years, three years?

Dr. **Steinbruner**. I think that any reversal would be difficult but possible. Soviets do have a very decisive planning system, and they have shown in the past that they can act very decisively to change course. However, they have a system of production and implementation that is certainly no more rapid than ours. And if we are watching carefully, as we obviously would be, and with increasing information, as verification arrangements implementing these would give us, there is no reason to believe that we would not anticipate quite well any basic change in Soviet policy.

RESPONSE OF DEMOCRACIES TO REVERSAL

Senator **Inouye**. Do you agree with the observation that if the Soviets should reverse, it would be a bit more difficult on the part of democracies to respond adequately, especially in peacetime?

Dr. **Steinbruner**. The historical record suggests that the way in which democracies have responded involves a period of time in which they are a bit sluggish, and then there is a very rapid, very sharp reaction which surges well ahead of the Soviet effort. This has been historically the record. The Soviets begin a program. We take a while picking it up. Suddenly we get on to it and then we push way out in front of what the Soviets can.

That I don't think is a very good pattern. We ought to act in a more timely and more considerate, more temperate fashion, but that is not what we have done.

But I have fair confidence that the democracies can react effectively to the Soviet system.

Senator **Inouye**. I am hoping that we can cut down our initial inquiries to 5 minutes. I will now call on Senator Specter.

Senator **Specter**. Thank you very much, Mr. Chairman.

RELIABILITY FACTOR

Dr. Steinbruner, I would like to follow up on Chairman Inouye's inquiry regarding the issue as to whether the Gorbachev changes are short lived and reversible or something that we can rely upon.

You talk in terms of very substantial reductions on our defense budget, up to $40 billion a year. And that would be very attractive, indeed, considering the deficit and the difficulties of arriving at a budget. What factors do you look to in trying to assess Gorbachev's strength in the Soviet Union, the opposing forces within the Soviet structure, and what problems he may face in challenge to his leadership?

Dr. STEINBRUNER. One looks first of all at the history of these developments and asks how much of this is due to Gorbachev personally and how much of it comes out, if you will, the deeper history of Soviet military planning. And the answer is that a substantial amount of what he is doing predated him and reflects the adjustment of the Soviet planning system to economic, technical, and security facts that are strong imperatives for them, just as they are for us.

Historically the Soviets have had forces that doctrinally are committed to an offensive attack against Western Europe in the event of war, which they say they want to prevent. That is what has concerned NATO. And that is what Mr. Gorbachev is saying he wants to reverse.

The facts are that if you go look at the structure and capability of Soviet forces and the level of investment, although they are too high to be comfortable for us, they do not have sufficient capability to implement this traditional doctrinal commitment. What I think Gorbachev has done is take a look at that situation and to conclude that it doesn't make sense. Soviet forces are high enough to stimulate NATO investment, but not strong enough to implement the established commitment to offensive attack. He decided, therefore, to adopt a more restricted mission, a defensive mission. To implement that decision he wants to lower forces to achieve mutual restraint, and to focus Soviet investment on realistic military missions. I think that is solid security logic.

Senator SPECTER. Mr. Steinbruner, I would be interested to know the details as to where you see this deeper history of Soviet planning for armed forces reduction, and perhaps you could supplement your testimony for the record on that.

AGGRESSIVE FOREIGN POLICY

But in the limited time I have available, I would like to ask you about the basic Marxist-Leninist thrust of world domination, which we are all so familiar with, and the recent Soviet activities to attack Stalin's credibility, but still Lenin and Marx are very highly regarded, and they are the spokesmen and articulators of a very aggressive foreign policy. What is your thinking that those basic tenets are not going to emerge in Soviet thinking and lead to a very aggressive policy at some time in the immediate future?

Dr. STEINBRUNER. Well, my own thinking is focused more on their actual capability rather than the ideological logic that they have propounded. I pay attention first to what they can realistically accomplish and then read the rhetoric in that context.

My own view is that the revision of these traditional Marxist-Leninist doctrines that is obviously occurring is bringing their policy much more in line with their actual capability and real interest. They are acknowledging that worldwide domination and promotion of worldwide revolution are not things that they can accomplish. Moreover, it is not in their interest to try toaccomplish these traditional rhetorical objectives. I think that this assessment is correct, and I, therefore, credit this trend of realism in Soviet policy. Since these trends in Soviet doctrine match realistic constraints that are operating upon them, that seems to me to be a solid basis for understanding and crediting their words.

Senator SPECTER. Thank you, Mr. Chairman.

Thank you, Mr. Steinbruner.

Senator INOUYE. Senator Johnston?

Senator JOHNSTON. Thank you, Mr. Chairman.

CONVENTIONAL SUPERIORITY

Could you tell me, Mr. Steinbruner, what can a country—the Soviet Union or the United States—do with conventional superiority or, contrariwise, what disability are you under if the other side has conventional superiority?

Dr. STEINBRUNER. Well, speaking of superiority in the ranges that now exists, NATO's own estimates currently published attributed the total Warsaw Pact with about a 1.8-to-1 advantage in terms of overall firepower fully mobilized. And, unfortunately, the configuration of forces is mismatched so that we have most of our forces, the preponderance of our forces, to the south and they to the north. So, the actual deployments are not physically counterposed in the way that we would most like.

We and others attempt to calculate what these forces applied in central Europe might, indeed, accomplish in the course of battle. That's a very uncertain business. The way in which my colleagues and I do it suggests that if the Warsaw Treaty states attempted an attack and NATO did not succeed in redeploying in the right way, the WTO with this 1.8:1 advantage could achieve some possibility of breakthrough, not because of their overall superiority, because of the maldeployment. The issue is less one of total assets, but rather where they are placed.

If NATO can get its forces into the right place, then it can repel that attack. If NATO redeployment is sluggish, then the Soviets could break through in the north. One would like to reduce forces to the point where that redeployment exercise is not quite so sensitive and where the Soviets and their allies just don't have the assets to begin the offensive in the first place.

Senator JOHNSTON. So, we have assets. We don't have them deployed in the right place.

Dr. STEINBRUNER. That is correct. We don't have the assets in the right place.

Senator JOHNSTON. Why don't we put them in the right place?

Dr. STEINBRUNER. It's history. NATO is a political organization.

EFFECT OF DEPENDENTS ON DEFENSE EFFORT

Senator JOHNSTON. Well, let me ask you another question. We have 350,000-odd dependents and civilians over there. Do they contribute to the defense effort there? Is the morale bonus you get for those sufficient to justify the cost and the other difficulties which it presents?

Dr. STEINBRUNER. I have to admit I really don't have a very considered opinion on that, Senator.

Senator JOHNSTON. Well, let me tell you what the answer is then. [Laughter.]

It is absolutely absurd. It is a huge cost, an incredible cost. If the balloon went up, which nobody expects it to go up, and you have 350,000 dependents and civilians, I suspect half the soldiers would want to go follow mamma and the kids and try to get them out and in a place of safety rather than to go fight. You know, they tell them to report to the airport when the airport is the first place they bomb. It is absolutely incredible and absurd. And the Congress will not face up, at least so far, to that because they have votes. That is exactly what is going on over there and if we want to save some money, that's the first place we ought to start.

RAMIFICATIONS OF TROOP REDUCTIONS

Now, what would be the effect on our NATO allies of—let's say, we brought some troops home or cut defense spending, conventional. What would be the effect on our NATO allies?

Dr. STEINBRUNER. My own view, Senator, is if we did it unilaterally in the context of budget reductions, then it would have a very disturbing effect on our NATO allies. And I would question whether unilaterally that's the thing to do, in part because in order to save money, we have to, of course, disband the forces. If we are in the business of disbanding forces, I would not think that we would begin with those in Europe.

If it was done in the context of an agreement for force reductions that set ceilings on Soviet forces and stabilized the terms of balance, then I think it would be received very differently. And I think that latter context is by far the better way of doing it.

Senator JOHNSTON. We could bring dependents home, for example, have 6 months unaccompanied tours, without upsetting the NATO allies.

Dr. STEINBRUNER. I would think you could do that.

Senator JOHNSTON. Thank you, Mr. Chairman.

Senator INOUYE. Senator Rudman?

Senator RUDMAN. Thank you, Mr. Chairman. I think I will start a new procedure and follow the Johnston model. I'm going to give Mr. Steinbruner some suggested answers and then he can tell me what question I'm asking. [Laughter.]

Senator JOHNSTON. I'll give you the questions. [Laughter.]

Senator RUDMAN. Thank you.

Mr. Steinbruner, I am an admirer of much of your writing. I agree with some of it, disagree with others. But I have read a good deal of what you have written. And I would like to propose just really two fairly simple, basic questions to you.

SIGNAL TO WESTERN ALLIANCE

I was a delegate to the Verkunde Conference with several of my colleagues 10 days ago in Munich and had many interesting discussions with our allies, mainly defense ministers and military personnel, discussing the very issues we are discussing here. And one of the messages that emerges, given the asymmetry not only of the forces themselves, but of their disposition, is that what signal does the Western Alliance have to get to finally do what Senator Bumpers is talking about, and that is to really make major force reductions. I am not talking strategic. I am talking conventional. I always have assumed strategic would be handled by arms control issues, and that really is a separate one.

The prevailing view over there is given the asymmetry and the displacement of troops, which is also in many ways out of balance, as you correctly point out, that the real key is a massive reduction of artillery and armor on the Soviet side. From a generalist point of view, if you don't have a lot of artillery and a lot of armor, you can't maintain a strong offense. I would like your response to that and what that signal might be because I know you study these issues very carefully.

Dr. STEINBRUNER. I think that is basically correct. We want to remove exactly those disparities in tanks and artillery. I would believe, however, that doing it in a practical way requires establishing controls in terms of an organizational unit, which I believe is likely to be a subdivisional unit of some sort, probably a regiment. Ultimately, the equipment has to be integrated into a military organization in order to be useful. We want to control not just tanks and artillery but net military capability.

So, I'm imagining the outcome here. We would attempt to achieve dramatic reductions in exactly those categories by removing organized units and constraining the number that can be present.

SOURCE OF SOVIET REDUCTIONS

Senator RUDMAN. Mr. Thomson in his written statement points out that one of the things that is unclear from the Gorbachev statement and the statements and the actions thereafter is, Where these reductions are coming from? Are they coming from storage? Are they coming from line units?

So, I guess my specific question—because this whole question of conventional forces is not really as complex as some people make it, it seems to me. At what point do we have a ratio that is defensively satisfactory? One-to-one?

Dr. STEINBRUNER. The ratio is a matter of judgment. I don't think there is any agreed way to calculate what an acceptable one is, but I would say that given the broad range of techniques that are available or used to calculate it, if the ratio got down to about 1.3-to-1, most people would be saying that it's difficult to perceive a problem, particularly if the forces were not forward deployed and they had to redeploy in order to come into position. So, I don't think we have to hit 1-to-1, but I do think if we got down to 1.3-to-1, most people in the West would perceive a dramatically reduced threat.

MOBILITY FACTOR

Senator RUDMAN. And would you also agree, based on the history of World War II, particularly the period 1939–43, that the additional factor that has to come out of the organizational equipment structure of those units is mobility, that you can have an asymmetry in numbers, but if one side has greater mobility, then it can overtake those numbers? So, the Soviets not only have to reduce armor and artillery, but, to some extent, mobility. Am I correct about that?

Dr. STEINBRUNER. I think that is right. Mobility is a very sensitive factor. One needs to be sure that there are no disparities in mobility.

One of the ideas that is frequently discussed is to constrain bridging equipment and certainly any mine-clearing equipment. There is no reason, if you are in a defensive configuration, to have mine-clearing equipment.

Senator RUDMAN. My last question, since my time is up, is totally on a different subject. It will take a fairly short answer.

One of the great debates of the Verkunde Conference, a terrific disparity between the Western Alliance and certainly within the Federal Republic of Germany within their political system, is whether or not we ought to go into modernization of the short-range nuclear weapons in terms of their deterrent value in light of the INF Treaty which, of course, will be allowed. Your view on that.

Dr. STEINBRUNER. My view is, not yet. I think that we ought to seek and obtain progress on conventional force reductions before we take that on.

Senator RUDMAN. Thank you very much, Mr. Steinbruner. I appreciate it.

Senator INOUYE. Thank you.

Senator Bumpers?

ARE SOVIETS ABANDONING WORLD DOMINATION CONCEPT?

Senator BUMPERS. Dr. Steinbruner, let me ask you. Is there anything in anything Gorbachev has said so far that would indicate, following up on Senator Specter's questioning, that they are abandoning the whole concept of world domination?

Dr. STEINBRUNER. There is a long debate in Soviet public literature both in academic and in official circles, that would suggest this. The debate predates Gorbachev. It develops an assessment of how well they did in their past efforts that was pessimistic from their point of view. It contains many realistic statements that there is not much purpose for them to try to seek world domination, that they don't have the capacity. That is not the way things are going. The objective of domination doesn't make sense.

I think they are correct about that, and, therefore, I credit those statements.

Senator BUMPERS. Well, if there is that obvious kind of internal debate going on—and incidentally, let me say at this point, you see I don't think you would have to be accused of being a Chamberlain-type Munich operation to suggest that there are opportunities now. You don't have to let your guard down. You don't have to be naive. You don't have to forget history. But that doesn't mean you can't be realistic about the opportunities that exist.

But in Gorbachev's United Nations speech, here is what he said, and I want to see if you can find anything to read into this:

> It is obvious, for instance, that the use or threat of force no longer can or must be an instrument of foreign policy. This applies above all to nuclear arms, but that is not the only thing that matters. All of us, and primarily the stronger of us, must exercise self-restraint and totally rule out any outward-oriented use of force.

How do you interpret that paragraph?

Dr. STEINBRUNER. I think he is stating there an imperative that operates on all countries, this one included. There are general trends in the world dictating that if a country does not have political jurisdiction by legitimate political means, it cannot realistically acquire it by military means. The world in many ways resists aggressive enterprises much more effectively than it did in the 1930's when Mr. Chamberlain was trying to deal with these matters.

Senator BUMPERS. Viet Nam and Afghanistan being two current pretty graphic examples of what he is talking about.

Dr. STEINBRUNER. Yes. There are many lessons for many assertive countries throughout the world to this effect. I think that Gorbachev is simply stating a general observation about the nature of this world that anyone can make with a little reflection and common sense. Military force is not an effective means of establishing political control if you don't have it. The map is not going to be changed by military means. To attempt that is too dangerous and basically unproductive. Most countries are primarily concerned with economic interaction. There is no need to try to exercise political control by military means if you don't already have it.

DISPOSITION OF 1,000 AIRCRAFT

Senator BUMPERS. In your statement you alluded to the possibility of removing 1,000 tactical aircraft in exchange for the dismantling of 30 divisions. Are you suggesting withdrawal or destruction of 1,000 aircraft?

Dr. STEINBRUNER. In this case I am sketching out what the ultimate outcomes might be and I'm suggesting the strongest version of this idea, that is, destruction both of the 30 divisions and all the associated equipment and of the tactical aircraft. Destruction means literal removal so that both the equipment and the military units cease to exist.

Senator BUMPERS. And on the chairman's initial question about procurement, as I understood it—and we are still talking about words. We have plenty of time to watch what the results are, or put as some of our Presidents are prone to say: Don't pay attention to what I say, watch what I do. And that is what we will do with the Soviet Union.

But when it comes to procurement, as I understood it, Gorbachev in his United Nations speech said they were going to reduce their budget 14 percent, but I think the Minister of Defense or some other high official has said that weapons procurement would be reduced by 19 percent. Is that not correct?

Dr. STEINBRUNER. Those statements were made after the U.N. speech, but the numbers are correct. Gorbachev cited both. He said the defense budget, which is essentially military personnel, would be reduced by 14 percent and the R&D and weapons procurement budget, which is a separate budget in the Soviet Union, would be reduced by 19 percent. Since he did not provide us the base for those figures, it is difficult to interpret exactly what they mean, but that is what he said. And it was Gorbachev who was the source of the projected budget reduction in both cases.

TROOP DISBANDMENT

Senator **BUMPERS**. So far as reduction of troops is concerned, there isn't much budget impact, is there, in removing troops from Europe or Korea, just that unilateral action if we should happen to take it? You don't achieve a lot of savings by simply bringing troops from Germany, do you?

Dr. **STEINBRUNER**. Not unless you disband the units.

Senator **BUMPERS**. That is what I'm talking about.

Dr. **STEINBRUNER**. If you bring them home from Europe and keep them, you are going to increase the cost. The transfer, obviously, will cost us a lot of money, as will new basing arrangements in the United States. So, they would have to be literally disbanded in order to have budget savings. And again, the presumption is that if we are disbanding units, you don't begin in Europe.

Senator **BUMPERS**. Let me ask you one final question, and this is sort of a policy question. It doesn't disturb me. I guess you could call this a partisan question.

CONTRADICTORY STATEMENTS

But can you have it both ways when you say that we have spent $2 trillion in the last 8 years, and we have become so strong that we have forced the Soviets to the bargaining table and got an INF Treaty because they are scared to death of our power now. And on the other hand, say when Gorbachev says they are going to reduce their forces by 500,000, yes, but that is nothing, you are still vastly superior to us? Is there any contradiction there?

Dr. **STEINBRUNER**. There is certainly a great deal of tension between those two statements, and it is not easy to reconcile them.

Frankly, I think that the statement that we have exercised decisive leverage over them merely by spending $2 trillion is a bit of an exaggeration. That spending wasn't all that well focused, and you could turn around and say that that was an exercise in dissipating our national strength rather than focusing it.

I think they were quite impressed with us before we undertook the surge in defense expenditures and that the effect of the increased spending is not nearly as dramatic on the margin as we imagine it to have been. All along the Soviets have been concerned about the political power of the United States. They never denigrated it the way we did, and for a good reason. They have a much greater security problem than we have.

Senator **BUMPERS**. Well, let me just follow up on that saying that in my trips to the Soviet Union, I have never found them concerned about American military power. I found them virtually terrified of American military power. And as you correctly point out, we have a much lower opinion of ourselves than they have.

Thank you, Mr. Chairman.

Senator **INOUYE**. Senator Kasten?

Senator **KASTEN**. Thank you, Mr. Chairman.

GORBACHEV FACTOR

Some of my colleagues believe that you have somewhat of an optimistic view. How much of that optimism is based on Gorbachev—Senator Specter asked part of this question, but I would like to focus in more directly and in more detail. How much of your view is based on Gorbachev himself, his personality and his leadership, as opposed to what you said was a more historical perspective, that some of these changes were taking place even without the new leadership?

Dr. **Steinbruner**. Let me first define the nature of my optimism. What I say is that we are very strong militarily, and there is not much danger in dissipating that strength. So, the down-side risk in this situation is not very great to us. It is mostly opportunity.

The reason why I credit the opportunity is not all that much related to Gorbachev. I think that the changes in Soviet policy that he is very skillful at articulating and presenting diplomatically have been under way for some considerable period of time for very powerful reasons. They have to do with long-term trends in economics and military circumstances which the Soviet Union is forced to recognize just as everyone else is. It is the reading of those basic trends, what the Soviets themselves might call objective factors, that I think gives the most significant context for their changes in policy and the best reason to believe that they are serious.

Now, the Gorbachev factor, if you can speak of such a thing, is an unusual boldness in articulating what these facts are and an unusual openness in stating what conclusions are to be drawn from them. Gorbachev has also displayed unusual and increasing political skill in appealing to the rest of the world, appropriating many of our ideas in doing so. That is something of a political threat, as a matter of fact. He is appropriating very constructive principles from us that we ought to be using for our own purposes, and that is more of a challenge than I think that we have yet realized.

So, the opportunity is one of bringing about agreed stabilizing reduction in forces because of the background factors which encourage that. The threat is more that we will be outflanked politically by skillful use of our own priorities.

Senator **Kasten**. My follow-up question was on the future and the relative security or how you estimate Gorbachev politically. It is less important now after you answered the first question, but nevertheless, I am still interested in your view of Gorbachev. Is he going to be in power a year from now? Is he relatively secure in his position? Or, if you look at all the increasing nationalism that is going on throughout the Soviet sphere, are there indications that he may not be as secure in his position as some say. Could you describe your view of what is going on inside the Soviet Union and the relative level of political security that Mr. Gorbachev has?

Dr. **Steinbruner**. I would be happy to beginning with the statement that it is an unusually uncertain and difficult thing to do. This is a complicated assessment subject to a lot of error. So, with that said, I would say that as best we can tell, Gorbachev is extremely secure politically at the moment, and yet he is trying to do very difficult things that could ultimately be dangerous to his political standing. Right now he is solidly in power, but he has set courses that are very bold and bold leaders do sometimes get into serious trouble quickly. That makes it hard to read.

Senator KASTEN. It sounds like a politician's answer. You are supposed to be an academic. [Laughter.]

Dr. STEINBRUNER. I just try to call it as I see it. This is a hard one.

Senator KASTEN. Thank you.

Senator INOUYE. Senator Lautenberg?

Senator LAUTENBERG. Yes, thanks, Mr. Chairman.

OPPORTUNITY SHOULD BE EXPLOITED

Mr. Steinbruner, somehow or other woven through your testimony here is an assertion almost that gives opportunism a good name. We have an opportunity that exists for whatever reasons, and if I understand your text here clearly, you are suggesting that we lose very little by way of vulnerability if at the same time we take advantage of the situation that we face. Is that true as a general statement?

Dr. STEINBRUNER. That is true. I think that basically we have systematically underestimated how strong we really are relative to them, how willful we are in preserving our own defense, and that I see very little risk that we are going to forget about defense or underinvest in it or whatever.

And I am not suggesting that we do anything unilaterally. I see mostly opportunity to induce well-structured, well-verified agreements that will produce lower forces and better security at lower cost by mutual agreement. I don't see any risk in pursuing this possibility. If it doesn't work, it doesn't work. Then we are where we are, which is adequate.

Senator LAUTENBERG. For many of us, there are considerable misgivings about Gorbachev's intent. I don't think anybody believes that he has come as a peace dove. That is not his mission. He is driven here by other circumstances. And, therefore, I kind of see this as less reliance on this strong personality, his individual leadership, than on circumstances in the Soviet Union, the fact that they are spending so much of their national resource on defense and not really requiring it for at least their present global philosophy.

Dr. STEINBRUNER. If I understand the question, I think I agree with it.

Senator LAUTENBERG. That he is being driven, that we are not looking at Mr. Gorbachev per se and saying, OK, it all depends on this guy, the conditions.

Dr. STEINBRUNER. Right. Yes, that is very much what I am trying to say. It is the Soviet response to worldwide trends that is producing the revision of policy. Gorbachev is doing it in an unusually articulate, skillful way, but even if it were done in a more conservative, traditional way, it still would have to be done.

The Soviet Union must emerge into the world. Economic isolation is ultimately fatal for them. They must reorient their policy in order to do that, and what they are doing in security policy makes fundamental good sense. They cannot achieve more than this restricted aspiration, and they have to focus their own assets in order to be able to do that. There is no reason to believe that judgment will be radically altered.

Senator LAUTENBERG. Is it a foolish assertion to assume that the Soviet Union is being driven to a closer relationship with the West as a result from pressure from the South and the East there, China?

SOVIETS DRIVEN BY ECONOMIC ISOLATION

Dr. STEINBRUNER. I would say that the Soviet Union is being driven out of economic isolation in order to achieve comparable economic performance to the rest of the world. And that is the only way ultimately that they can be able to achieve it. They must relate in some constructive way with the industrial world or their own economic performance will disastrously decline, and they have recognized that. So, it is a global policy, not shifting from region to another, and it is stated largely in economic terms.

Senator LAUTENBERG. And more or less the conclusion, because this is the Appropriations Subcommittee on Defense, and what we are trying to do is get an assessment of the need first, and then the ability to pay for the need as we finally determine it.

You suggest here on page 6 of your testimony that the logical result of a comprehensive arms control agreement would provide roughly $15 billion a year in direct savings. Am I taking that out of context, or is that measured against current budgets for defense?

Dr. STEINBRUNER. That is measured against a constant defense budget, no real increase, but offset against inflation. The $15 billion savings is measured against a zero real growth defense budget.

Senator LAUTENBERG. Thank you very much. Thank you, Mr. Chairman.

Senator INOUYE. Thank you.

Senator Cochran?

Senator COCHRAN. Mr. Chairman, let me just say that I find the witness' statement very interesting. I agree in large part with some of the observations that have been made in response to questions of the witnesses, particularly about the driving force for some of the initiatives, being the need to strengthen the economy, the undergirding basis of the power of the Soviet Union. Gorbachev, while not being as dramatic as Peter the Great was when he went personally to the Netherlands to learn how to build a ship, is nonetheless engaged in an effort to acquire technology and the wherewithal to help rebuild the Soviet economy, and I think that many of these initiatives are directly related to that realization.

Therefore, it would be wrong for us to assume, as you maybe have suggested in your closing comments, that we should now specify substantial force reductions and allow the residual military balance to recede into the background of international politics. I think that may be naive. I don't know whether that even is consistent with some of the other observations that you have made in response to the questions.

EXPLORING OPPORTUNITIES

That may have been overstating what you are really suggesting that we do which, as I understand it, is simply to explore the opportunities that we have, given the Soviets' willingness to discuss cutbacks in conventional arms, redeployment of forces, and a lessening of tensions in other ways.

Dr. STEINBRUNER. Well, I was trying to say that I think we have an opportunity for establishing an agreed reduction and restructuring of both strategic and conventional forces. And it is very much in our interest, as well theirs, to do that. We would have a safer balance and one that costs less. That is a desirable outcome. I think it is hard-headed realism to pursue that outcome. If we fail to achieve it, then we have the current situation which is adequate.

The statement about military force receding to the background is simply my statement about what is going on in the world. Look at what is happening in Asia where international politics is not being driven by military position much at all.

Senator COCHRAN. But I think it is because we are there. We are causing the stability by our presence and our military strength in the region and the fact that we are engaged there. Thus, the military power is very much a part of what is going on in that part of the world.

Dr. STEINBRUNER. I would agree with that. In saying that it recedes into the background does not mean that it goes away or is unimportant. It is a very, very important background condition—extremely important for establishing basic order. It is not, however, the cutting edge of policy. There is a difference. And I think that that is an important point, that saying that military power is an important basis—and it will continue to be—is exactly right, and we have to realize that and obviously maintain it. It is not, however, the primary means for constructive accomplishment and we ought to recognize that as well.

Senator COCHRAN. Thank you, Mr. Chairman.

Senator INOUYE. Thank you very much.

Thank you very much, Dr. Steinbruner. May I ask that you just remain on the panel. We would like to ask a few more questions.

SUBMITTED QUESTIONS

[The following questions were not asked at the hearing but were submitted to Dr. Steinbruner for response for the record:]

QUESTIONS SUBMITTED BY SENATOR INOUYE FOR DR. STEINBRUNER

Question. Are the United States and its allies responding appropriately now to deal with both the military and political implications of the Soviet initiatives? How can we responded to deal successfully with the political requirement to not appear obstructive on conventional arms control but also to avoid premature actions which might have adverse military and diplomatic impacts?

Answer. I believe the response of the United States and its allies to the Gorbachev initiative has been too passive. The Soviets are presenting an apparent opportunity to remove the military imbalance in central Europe that we have long complained about, and their efforts to promote this fundamental change are appealing in Western Europe for very good reasons. The obvious U.S. response should be to test Soviet intentions by proposing a detailed reduction and restructuring of forces that would improve NATO security. The generation of such a proposal, which would require mutual restraint simultaneously implemented, involves virtually no risk of premature actions that might have adverse military and diplomatic impacts.

Should serious efforts at constructive diplomacy fail, our current forces would still be in place. Despite our habit of denigrating them, those forces enable overridingly powerful deterrence and a competent conventional defense of Western Europe. I perceive little risk that the United States in a burst of euphoria might indulge in drastic unilateral reductions of this capability. I see much greater risk that the United States might cling to traditional conceptions of threat and traditional principles of military confrontation and might thereby forfeit leadership in an alliance that comes to demand a more constructive security policy

For much of Europe, we should realize, peace is not seen as a narcotic to be sampled only with great fear and trepidation. Since it is the avowed purpose of the United States to make peace the normal state of affairs, we should not act as if we were afraid of this objective.

Question. What opportunities do the Gorbachev initiatives present for the United States to modify unilaterally its fiscal 1990 overseas troop levels and to modify the pace of the development programs to modernize the LANCE short-range nuclear missile and the nuclear Tactical Air-to-Surface missile?

Answer. Since the Gorbachev initiatives indicate serious possibility of retaining the perceived imbalance in conventional force capability, they constitute not only an opportunity but probably even an effective political mandate to postpone new technical investment in tactical nuclear weapons. Conventional force reductions will diminish the intended mission of those weapons and that will affect their political acceptability in Western Europe, which is marginal at best.

I do not believe, however, that the Gorbachev initiatives provide an appropriate opportunity for unilateral reductions in U.S. fiscal 1990 troop levels. There are many measures to achieve savings in the U.S. defense budget that would logically precede a reduction in troop levels in Europe. Because of this fact, such a reduction would be received in Europe as an emotional expression of domestic politics rather than a rational security adjustment on behalf of the alliance as a whole. As such, it would seriously threaten our political stature within the alliance.

Question. How likely do you think it would be for the Soviets to seek a U.S. reduction in Naval forces, rather than TACAIR forces, given Dr. Zagoria's comments?

Answer. I believe the Soviets are giving fairly strong indication that with regard to the European theater restraint on naval forces is a secondary matter in comparison with TACAIR forces. They will probably seek to include carrier-based aircraft and naval cruise missiles in the discussion of TACAIR issues, but beyond that they will probably not insist on including naval assets in the initial round of conventional force restraints.

It does appear, however, that the Soviets are contemplating significant reductions in their Baltic and Pacific fleets that have not yet been announced. It is a reasonable guess that such measures will be a central element of their initiatives for the Asian theater where naval operations have a more prominent role in relative terms. I consider it likely that the Soviets will very prominently seek a mutual reduction of naval forces in Asia.

QUESTIONS SUBMITTED BY SENATOR BYRD FOR DR. STEINBRUNER

Question. What motivations lie behind the Gorbachev initiative?

Answer. As detailed in my statement, I believe the Gorbachev initiative is primarily motivated by an altered formulation of Soviet security requirements. The initiative is evidently intended to be the initial stage of a process to reduce Soviet forces and to transform them into a more defensive configuration. Since such measures, if appropriately designed, have the potential to establish better security conditions for the Soviet Union at significantly lower cost, they constitute inherently sound policy. The opportunity to divert resources to domestic production and the very positive international political resonance created undoubtedly are reinforcing considerations, but the driving motive appears to be simply the desire for a more rational and efficient security policy.

Question. Would you regard the promised reductions as militarily significant?

Answer. The promised reductions are certainly significant in the sense that they will substantially diminish the ability of the Soviet Union to organize a surprise attack against Western Europe. By themselves, however, the reductions are not sufficient to remove the possibility of an attack after full mobilization of both alliances. Additional reductions are desirable to alleviate that latter problem, and it is apparent that the Soviet Union will seek further reductions by mutual agreement.

Question. If implemented, would the cuts reduce substantially the threat of a short-warning Soviet attack against NATO?

Answer. Yes, and that would be their primary military effect.

Question. How can we be sure that Mr. Gorbachev implements his cuts as promised?

Answer. The removal of 6 divisions and air assault units from Eastern Europe will be readily observable using standard national intelligence methods. Observing the removal of tanks from units that remain and from storage will be more demanding, but it is my informal and unofficial understanding that there will be an opportunity to observe the promised destruction of this equipment.

QUESTIONS SUBMITTED BY SENATOR BUMPERS FOR DR. STEINBRUNER

Question. Would you agree with Phillip Karber of the BDM Corporation that the Gorbachev initiative will lead to "militarily significant reductions" that would greatly reduce the threat of a surprise attack?

Answer. I do agree with Mr. Karber's assessment. I also believe, however, that the actual threat of a surprise attack has been exaggerated, not only because the relatively advanced capability of intelligence monitoring makes it unlikely that attack preparations could be concealed but also because the motive for deliberately calculated aggression in central Europe is weak.

The greater danger has long been that of a spontaneously arising, unintended crisis that produces in reaction a full mobilization of forces. After 90 days or so in such a crisis, a troublesome challenge to NATO defense positions could develop, particularly if there is some disparity between WTO and NATO in the will to mobilize.

Question. It is unusual for one side to make unilateral reductions in its forces on the eve of talks aimed at limiting such forces (the "conventional armed forces in Europe—cafe"—talks starting next month in Vienna). Why do you think they are doing this?

Answer. Unilateral reductions have not been the usual practice, to put it mildly. Nor are they consistent with the theory of bargaining leverage currently favored in the West and widely attributed by Western observers to the Soviet Union as well. Gorbachev is deliberately breaking away from this usual practice and prevailing theory. In part that appears to reflect his frustration with, even his contempt for the negotiation process that resulted from these practices. In part it also reflects the strategic calculation of a man impatient to achieve results. Prevailing negotiating practices as they have evolved on both sides discourage far-reaching agreements more than they promote them. Gorbachev's attempt to reformulate the rules and to engage in a dramatic, higher level political dialogue is probably necessary if he is to produce the results he apparently wants.

Question. The U.S. is facing some of the same internal pressures as the Soviet Union, though fortunately not as severe. Since cuts in the defense budget are likely, especially in personnel, wouldn't it be appropriate for us to announce cuts that we will end up making anyway and take some political credit for it, as Gorbachev has done?

Answer. In a word, yes. The overall fiscal pressures on the U.S. defense budget are predictably very severe and its internal misalignment is even more severe. Since some drastic cuts in currently planned U.S. defense programs are virtually inevitable, it is fairly obvious that we should make a serious attempt to make a virtue of it, particularly since there is good reason to believe we could succeed.

I would comment, however, that cuts in personnel cannot be the sole means of restraining the defense budget and probably cannot even be the primary means. The ultimately unavoidable problem is that major weapons procurement programs are currently planned to be substantially larger than they can reasonably and realistically be. We need to fashion some virtue in that area as well.

Question. Some argue that the Gorbachev initiative is weakening NATO by making people believe that the Soviet threat is no longer serious. Others argue that the reduced threat strengthens the credibility of NATO's forces. Who is right?

Answer. I believe that relevant public opinion on defense preparations is less fickle and more sensible than advertised in standard American political rhetoric. To suggest that the coherence of NATO and of the Atlantic community generally depends upon an immediate menace is to misjudge very seriously the political character of the Western democracies. I also believe that NATO forces all along have been about as strong as they need to be. They offer a reasonably appropriate insurance policy, neither excessive nor deficient by very much. I do not believe, therefore, that there is much merit to either argument. Strictly speaking, both effects might well occur; but if so, in magnitudes that have only marginal importance.

Question. In a speech given in the Russell Senate Office Building last Monday evening, Dr. Otto Lambsdorff, the leader of West Germany's center party, the Free Democrats, denied that German was suffering from "Gorbomania," as he put it. Yet there seems to be growing opposition in Germany to the modernization of our short-range nuclear missiles, the aging Lance. German's Free Democrat foreign minister, Hans Dietrich Genscher, is notably cool on this, as are all the Social Democrats as well.

Do you agree with Lambsdorff? What can the U.S. do to facilitate Lance replacement in the 1995 time period—if necessary—in Germany?

Answer. The phrase "Gorbomania" has been promoted, I believe, by American skeptics. It is obviously patronizing, and we should not be surprised if the Germans resent it. The West Germans have very solid reasons to be interested in the Gorbachev initiatives, and I see no sign of excessive emotional zeal about it. In that sense I agree with Lambsdorff.

I believe it is important to realize that the modernization of the Lance missile is not a matter of great military significance. The extended deterrence mission will be primarily performed by longer range systems whatever the fate of Lance and similar systems. The role of the short range systems is largely as a symbol of the American commitment. If the Germans do not want that particular symbol, then it would entirely defeat the purpose to attempt to force it on them. The attempt, at any rate, would probably not succeed. The growing German aversion to these systems is quite understandable, and there is no countervailing argument we can plausibly make that would have comparable weight.

Question. Is there any chance that the Soviets might take some of their equipment that they are withdrawing and give it to client states like Angola or North Korea?

Answer. The Soviets have said that the equipment being removed from Europe—the tanks in particular will be disassembled and that relevant parts such as engines will be directed to civilian purposes. They have also suggested that they would do this in an observable manner. If so, then the suggested diversion would be prevented. I think it likely that they mean what they say but we should watch carefully, of course, to determine that it actually comes out that way.

IMPLICATIONS OF GORBACHEV INITIATIVES FOR NATO ALLIES

STATEMENT OF DR. JAMES A. THOMSON, EXECUTIVE VICE PRESIDENT, RAND CORP.

SUMMARY OF STATEMENT

Senator INOUYE. At this time, may I call on Dr. Thomson.

Dr. THOMSON. Thank you, Mr. Chairman. You have my statement for the record, and I will seek to summarize it.

My basic message, though, Senator, is that these will be important reductions when they are carried out from our point of view, but that at this stage substantial uncertainties remain about the nature of the reductions and that those uncertainties affect my own assessment of their military impact.

IMPORTANT ASPECTS OF GORBACHEV'S STATEMENT

You know what the essential points of Gorbachev's speech and subsequent statements by him and the East Europeans are. Let me highlight what I think are the most important aspects.

First, the Soviet's have said now that they will take 5,300 tanks out of Eastern Europe, and the East European countries have added to that an additional 1,400. This is roughly half of our estimate of Soviet tanks in Eastern Europe. And if all of these tanks come out of combat units, this implies a major restructuring of the Soviet army bringing it, in terms of balance of armor and infantry, somewhat into line with western concepts, and might even be a move in the direction of the so-called defensive structures that Gorbachev says he seeks.

The second important feature is the announced elimination from the forces of 10,000 tanks and 8,500 artillery pieces. This is a cut of about a quarter of the Soviet tanks and artillery west of the Ural Mountains.

The third is the announcement that six tank divisions will be withdrawn from Eastern Europe, and we now know that four of these will come from the GDR, thereby insuring that the most forward deployed forces will be part of these reductions.

Just as an aside, Mr. Chairman, in answer to your question to Dr. Steinbruner, it would be relatively easy for the Soviets to reverse this particular aspect of the reduction. After all, they put five divisions in Czechoslovakia in 1968 in a matter of days. And if the barracks remained there, there would be no problem for them to put them back or put some divisions back permanently.

Now, as to the questions about these cuts: First with respect to the 5,300 tanks, I can only account for 2,300 tanks in the cuts that have been announced. There must be 3,000 more. We do not know at this stage where those tanks will come from. As I indicated, if they come from combat units, we are perhaps seeing the beginnings of a major restructuring of the Soviet army, but if they come from storage, then we may not be. And we simply do not know that. They have not told us about that at this point.

Second, with respect to the 8,500 artillery pieces, it is noteworthy, I believe, that they have not designated the numerical removal of any artillery pieces from Eastern Europe as they have of tanks. This is a dog that has not barked. It suggests to me that, in fact, if there is a restructuring, it will not involve deep cuts in artillery and it will not remove the major portion of the Soviet buildup since 1965 which has, in fact, included a threefold increase in artillery holdings in the Soviet army.

If my speculation is correct, this is not necessarily good news. It leaves a substantial artillery force which could provide the basis for an offensive doctrine much along the current lines where breakthroughs would be created by artillery and exploited by mechanized infantry or helicopters and with what remaining armor they would have.

The third uncertainty has to do with the geography and the composition of this 10,000 tank/8,500 artillery piece reduction. We do not know whether this will come from the western part of European Russia or not. If not, it will be far less of militarily significance to us since we do not believe that the forces in the eastern part of European Russia—that is, the part west of the Urals—are part of the threat to the West. And second, we do not know whether these will come from combat units or not, and we also do not know the makeup in terms of what kinds of equipment will be involved, modern or old equipment.

There is a number of reasons why we need to learn more. Therefore, it would be extremely helpful if the Soviets would provide us the opportunity to monitor these reductions. President Gorbachev has hinted at this possibility. I hope he does because it will be important as we follow these cuts.

MILITARY IMPLICATION OF REDUCTIONS

Let me now turn to the military implications of the reductions as I see them. We have tended in the West to analyze the balance of forces of Europe in terms of two scenarios: the short-warning, surprise attack scenario and then a longer warning scenario in which the Soviets and their allies would build up forces to mount a large-scale offensive.

Now, with respect to the first scenario, I have never personally found this a particularly plausible scenario. I believe there would have been too many risks in it for the Soviets. If these cuts are taken, it is certainly now far less plausible since even more forces will have been removed from Eastern Europe, and it is difficult for me to imagine a Soviet military leader being willing to undertake an attack with only a few days' preparations.

With respect to the longer warning scenarios and the ability of the Soviets and their allies to mount a large-scale offensive action, an assessment of this depends crucially on how these uncertainties are resolved. If I make a favorable assumption—that is, that the cuts of 10,000 tanks and 8,500 artillery pieces are taken in such a way as to, in a sense, be applied pro rata across the force so that modern and old equipment share equally, that forward deployed and rearward deployed forces share equally and so forth—then by my own back-of-the-envelope estimate, I believe this takes us between one-third to one-half of the way from where we are today toward what I would believe would be a satisfactory balance of forces.

That would be a substantial move. That would, however, still leave the Soviets, of course, with a big margin and an ability to mount a large-scale offensive, but we would be a lot closer and conventional arms control would be a lot easier for us.

On the other hand, if I make unfavorable assumptions, that old equipment is involved, mainly that this will come from rearward areas or from storage, then the military impact for this scenario is practically nothing. So, we must understand the details more.

POLITICAL IMPLICATIONS

Finally, let me say a few words about the political implications. Obviously, in Europe these political implications far outstrip the military implications that I have just described. The perception of the Soviet Union as a threat is plummeting in Europe, especially in West Germany. This has put the modernization of the Lance missile in political jeopardy. It was already in some jeopardy in any case, but now in deeper jeopardy. And it may engender some call for unilateral cuts.

My own view is this is not the time for the West to be cutting its forces. We should stand on the NATO position that it has articulated for the conventional talks—this asks for equal levels in major offensive arms, artillery and tanks—and let the political and economic forces that have already produced this unilateral move produce a concrete proposal from the Soviet Union that we can make a deal on. I think the chances of this are now far higher as a result of what we have seen from the East. We would be frittering away those chances if we began to take unilateral steps on our own now.

Thank you, Mr. Chairman.

Senator **Inouye**. Thank you very much, Dr. Thomson.

[The statement follows:]

Statement of James A. Thomson, Executive Vice President, RAND Corp.

Mr. Chairman:

It is a pleasure to discuss the military and political implications of the unilateral force reductions recently announced by the Soviet Union and East European countries. In the main, I will discuss the military implications, touching briefly on the political implications at the end.

These cuts will be important when they are carried out. However, a number of questions remain about details that leave large uncertainties about their ultimate military effect. The political effect, however, is already substantial.

The most essential points were contained in President Gorbachev's speech to the United Nations on December 7, 1988: The overall size of the Soviet armed forces will be cut by 500,000 men; six tank divisions will be withdrawn from Eastern Europe and disbanded; 50,000 men and 5,000 tanks will be removed from Eastern Europe; Soviet forces in the western USSR and Eastern Europe will be reduced by 10,000 tanks, 8,500 artillery pieces, and 800 combat aircraft.

In the period since the Gorbachev speech, additional details have emerged: The manpower reduction will be partitioned as follows: 240,000 from the European part of the Soviet Union, 200,000 from the east, and 60,000 from the south. Fifty-three hundred, not 5,000 tanks, will be redeployed from Eastern Europe into the western Soviet Union. Of the 10,000 tanks to be reduced, about half will be "liquidated" and the other half converted to civilian use. The Soviet defense budget will be reduced by 14 percent. In addition, the Soviets and East European leaders have provided further details about the composition of the withdrawals from Eastern Europe: four of the tank divisions will be removed from East Germany and one each from Czechoslovakia and Hungary. They have also indicated some of the sorts of non-divisional units to be withdrawn as well.

The Gorbachev announcement has been followed by a spate of reports from Eastern Europe concerning reduction of those countries' forces. Chiefly, these have consisted of manpower cuts. But both East Germany and Czechoslovakia have also announced tank reductions—600 and 800, respectively. The Poles have indicated plans to disband two tank divisions and to reduce the readiness of two other divisions to low levels.

IMPORTANT FEATURES

In my view, the most important features of the cuts are:

- —First, the announcement that 5,300 tanks will be withdrawn from Eastern Europe, plus 1,400 tanks from East European armies. This is roughly half the Soviet tanks in Eastern Europe. If all these tanks come out of combat units, not out of storage, the structure of Soviet forces in Eastern Europe would be substantially altered. The balance between infantry and armor in Soviet ground forces in that area would be brought more into line with the structure of Western armies. It is difficult to imagine that such a major restructuring of the Soviet Army in Eastern Europe would not ultimately lead to a restructuring of the entire Soviet Army. Thus, the 5,300 tank reduction could be a down payment on a major restructuring of the Soviet Army, perhaps giving it the more "defensive" orientation that Gorbachev says he seeks.
- —Second, the force reduction of 10,000 and 8,500 artillery pieces in Eastern Europe and the western USSR. According to NATO estimates, these would reduce Soviet tank and artillery levels in this region by about a quarter. These cuts are also consistent with a major restructuring of the Soviet Army.[1]
- —Third, the removal of six tank divisions, of which four would come from the GDR. The specification of the withdrawal of forward-deployed units assures the West that at least some of the reductions will come from units that most directly threaten the Federal Republic of Germany.

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[1] I do not view the 800 aircraft cut as significant because the Soviets have large numbers of obsolete aircraft.

MILITARY IMPLICATIONS

However, at this point, a number of questions remain unanswered—questions that introduce uncertainties into the assessment of the military implications of the force cuts.

—The first question involves the reduction of 5,300 tanks from Eastern Europe. The combat units that have been designated for withdrawal (six tank divisions and a handful of smaller units) only contain about 2,300 tanks, leaving about 3,000 tanks unaccounted for. As I have just indicated, if these cuts all come from combat units, a major restructuring of the Soviet armed forces would seem to be underway. However, if most or all of these tanks were to come out of storage, the significance of the withdrawal would be much reduced. At this stage, we cannot be sure that they will not come out of storage.

—The second question concerns the reduction of 8,500 artillery pieces from the western USSR and Eastern Europe. It is noteworthy that the Soviets have not indicated specific numbers of artillery pieces from Eastern Europe, as they have for tanks. Of course, several hundred artillery pieces are contained in the six tank divisions. But beyond that implied reduction, they have said nothing equivalent to the designation of 5,300 tanks from Eastern Europe. This omission suggests the possibility that the restructuring of the Soviet Army will not involve sharp artillery cuts. A key feature of the Soviet ground force build-up since the mid-1960s was the introduction of self-propelled artillery and a three-fold increase in artillery holdings. Thus, there are ample stores of old towed artillery tubes that could be discarded as part of the 8,500 reduction. This absence of explicit mention of artillery in the East European reduction suggests the possibility that Soviet military doctrine would still feature a breakthrough strategy that relies on artillery fire to punch holes in NATO's defensive line, which would be exploited by motorized infantry, helicopters, and the remaining tanks.

—The third and related question concerns the composition and geographical distribution of the reductions of 10,000 tanks and 8,500 artillery pieces. Simply put, if these reductions come from combat units in the westernmost part of European Russia, their military significance will be far higher than if they come either from storage or from rearward areas of European Russia, such as around Moscow and the Urals.

—The final important question of uncertainty concerns the manpower reduction. Although the Soviets have told us the rough geographical distribution of the 500,000 man cut, we do not know what sort of troops will be reduced. This matters because some kinds of cuts—those from combat units—could lower Soviet combat readiness. On the other hand, cuts in service support and overhead functions could have minimal impact. Another important question surrounds the 50,000 men to be withdrawn from Eastern Europe. By my reckoning, the withdrawals already announced—six tank divisions and other associated units, plus the 5,300 tanks, should have led to a reduction well in excess of 50,000 men, perhaps as high as 100,000. This discrepancy could have many causes, one of which would be a decision to increase the manning levels, and therefore the readiness, of the combat units that will remain after the withdrawals.

It is possible that the Soviets themselves do not know the answers to some or all of these questions. It seems that the cuts were imposed by Gorbachev on the military, which is now left with the task of drawing up the detailed implementation plan. These details affect the assessment of the military implications. Moreover, from the Western point of view, the uncertainties could be compounded by the turmoil that will be introduced into our data base by the large-scale movement and disbandment of units. The West's understanding of Warsaw Pact force structure and force levels is painstakingly built over many years. If our data base is thrown into chaos, it will be very difficult for the West to resolve for itself the questions that I have just discussed. In such circumstances, it would be understandable for Western suspicions to grow. After all, the unilateral Soviet withdrawal of one division from East Germany in 1980 actually led to an increase of Soviet forces there.

The uncertainties could be largely dispelled if the Soviets offered us the ability to monitor the force reductions closely. It is already heartening that President Gorbachev has hinted at the possibility of some monitoring of the force cuts and that the Soviets have already designated which divisions will be withdrawn from East Europe. But much more would help us a lot—designation of all the combat units to be cut and the ability to observe the withdrawals and the destruction of equipment first hand.

IMPLICATIONS FOR THE CONVENTIONAL BALANCE

Let me turn now to the implications of the cuts for our assessment of the conventional balance in Central Europe. Western analysts commonly assess this in terms of mobilization scenarios—these specify the amount of time available to each side to prepare for conflict before the Warsaw Pact attacks. There are at least two generic classes of scenarios—the short mobilization scenario (sometimes called short warning or "surprise attack") in which Warsaw Pact forces are prepared for conflict in a matter of days, and longer mobilization scenarios in which Warsaw Pact forces have ten days or more to get ready.

The cuts already announced will make the short mobilization scenario even more implausible than it is now. Today, there would be large risks for the Warsaw Pact if it tried such an attack plan. The initial Warsaw Pact attack would be mounted by some or all of the 57 Warsaw Pact divisions currently forward deployed in Central Europe. These would not have had time to increase combat readiness and would not be augmented by large Soviet reinforcements from the western USSR until after the outbreak of conflict. Thus, success would depend on catching NATO off guard: in the event surprise failed and NATO mobilized and prepared for defense, the Warsaw Pact plan could easily fail. By withdrawing six divisions and 5,000 tanks from Eastern Europe, not to mention the force reductions that the East Europeans have announced, the Warsaw Pact would rely on even smaller forces than today to mount such a short warning attack. Thus, the plausibility of these scenarios will decline further once the cuts are carried out.

Because I have long found the short mobilization scenarios implausible, my own assessments of the balance have focused on longer warning scenarios in which the Warsaw Pact has time to reinforce Eastern Europe with forces from the western Soviet Union. Once such a reinforcement has taken place, the Warsaw Pact would have the capacity to launch a large-scale offensive. Clearly, the announced withdrawals from Eastern Europe would have less impact on these scenarios, since the six withdrawn tank divisions are only a small part of the 100–140 divisions that could be returned to Eastern Europe as part of the reinforcement potentially available in these scenarios.

From the standpoint of this scenario, the most important aspect of the announced reductions is the elimination of 10,000 tanks and 8,500 artillery pieces from the overall Soviet force structure in the western part of the Soviet Union and Eastern Europe. It is here that the uncertainties play a large role. If we make a favorable assumption that the reductions are taken in a balanced way—equally apportioned geographically and by weapon type—so that modern as well as older equipment is included, and so that forces in the westernmost part of European Russia share equally in the cuts, then the military significance is large. To be more concrete, in a previous analysis, my colleagues and I have estimated that roughly 20 to 30 "equivalent divisions[2] would have to be eliminated from Eastern Europe and the western USSR in order to meet NATO security objectives. Using the favorable assumption, my back-of-the-envelope estimate is that the cuts announced by the Soviets and its East European allies would go one-third to one-halfway toward meeting NATO's needs. Thus, the cuts would still leave the Warsaw Pact with the capacity to mount a successful large-scale offensive, but the Pact's margin would have been reduced.

However, it must be stressed that this estimate is based upon favorable assumptions. If unfavorable assumptions are made—that the cuts are taken from old, stored equipment and come from the eastern portion of European Russia—then the effect of the reductions would be practically nil. This underscores the vital importance of learning more about how the Soviets intend to take these cuts.

POLITICAL IMPLICATIONS

Let me turn finally to the political implications. These appear already more far reaching than the military implications I have just described.

To East Europeans, the Soviets have sent a major political signal, implying that military power may play a lesser role in future political affairs and perhaps that the Soviet Union is loosening its grip on those nations. If this turns out to be true, we can only welcome the development of growing East European independence from the USSR. However, we must also be mindful of the latent political instability in Eastern Europe and be concerned that a perceived, but not actual, loosening of the Soviet grip could stimulate major instabilities, reaction and violence.

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[2] Roughly 25–40 actual divisions.

Although even under favorable assumptions, the cuts do not eliminate the Warsaw Pact potential to launch a large-scale offensive against the West, and although there are major uncertainties about the cuts, the Soviets are reaping substantial political benefit from the announcements in the West. The public perception of a Soviet threat has plummeted, especially in Western Europe and especially in the Federal Republic of Germany. This has certainly made it more difficult for NATO to reach a decision to modernize the aging Lance short-range theater nuclear missile. More important, the decline in threat perception may make it more difficult for Western leaders to resist political pressures to reduce their own conventional forces unilaterally.

It would be unfortunate were NATO to start cutting its forces now in response to the announced Warsaw Pact cuts. Even with favorable assumptions, substantial Warsaw Pact capability will remain. NATO forces are already spread thin, with barely enough to cover the front in Central Europe. Unilateral cuts could shave or even eliminate that already thin margin. From a military standpoint, NATO cannot afford to cut until Warsaw Pact forces are reduced much more. This is the basis for NATO's proposal that both sides' forces be reduced to the equal levels of tanks, artillery, and armored troop carriers. It would be preferable for NATO to hold this position and let the political and economic forces in the East that have led to the Warsaw Pact announcements continue to work their way. Most experts agree that the economic crisis in the Soviet Union is propelling Gorbachev to reduce the burden of defense and to seek—at least temporarily—to curtail the political and military competition with the West.

These political and economic forces have substantially increased the prospects for a successful outcome to conventional arms negotiations. Progress in this area has been blocked because of Soviet unwillingness to eliminate its force advantages. President Gorbachev's announcement has changed this picture. It now seems possible that the two sides can negotiate an arms control agreement along the lines that NATO is seeking. The prospects for such an outcome, which would also imply a new and less competitive political relationship between East and West, are higher than any moment in post-war history.

BIOGRAPHICAL SKETCH

James Thomson is Executive Vice President of The RAND Corporation. In this capacity, he is responsible for directing the bulk of the day-to-day operations of the institution. From 1984 to 1988, he was the RAND Vice President in charge of the Project AIR FORCE division, which performs studies and analysis for the USAF on national strategy, strategic and theater air forces operations and support, technology issues, and the management of defense resources. From 1981 to 1985, he was responsible for overseeing RAND's research agenda in national strategy, foreign policy, defense policy, and arms control. He also conducts research on nuclear deterrence and on European security.

From 1977 to January 1981, Jim was a member of the National Security Council at the White House, where he was primarily responsible for formulating policy on defense and arms control matters related to Europe—NATO defense planning, bilateral defense relationships with European allies, and the modernization of theater nuclear forces, arms control, and U.S. defense programs related to Europe. For example, he initiated and directed the U.S. government analysis that led to the 1979 decision to deploy INF. He coordinated U.S. efforts to obtain NATO agreement to this deployment, serving on diplomatic assignments.

From 1974 to 1977, Jim was an analyst in the Office of the Secretary of Defense.

He has a B.S. in physics from the University of New Hampshire (1967) and an M.S. and Ph.D. in physics from Purdue University. He was a post-doctoral research associate in physics (1972) and did basic research in experimental nuclear physics (1972–74) at the University of Wisconsin.

He is currently a member of the Council on Foreign Relations, New York, and the Council of the International Institute for Strategic Studies, London, England.

DIFFICULTY IN MONITORING CONVENTIONAL FORCES

Senator INOUYE. Will you comment on this observation that conventional force reductions are much more difficult to monitor than nuclear force changes since weapons and personnel can be redistributed to remaining forces and by so doing, increase actual combat capabilities even with these reductions, and that if this occurs, the Gorbachev initiatives could increase the threat to NATO Europe?

Dr. **Thomson**. Well, I find it very hard to believe, just on the last point, that the reduction of 10,000 tanks and 8,500 artillery pieces is a hostile act toward the West.

On the other hand, your point about the monitoring is exactly right. Personnel and tanks and artillery are very difficult to keep track of. Personnel, in particular, should not be included in arms control negotiations by the western side. This was a big mistake we made in the MBFR talks; personnel is a completely unverifiable quantity. And it is difficult to know how many people are in Europe in our own army on any given day. I think trying to do that on their side is even more difficult.

So, we have to be willing to live with a somewhat different standard of verification in conventional arms control. I think this is a political issue that has not yet been faced. We cannot have the kinds of verification certainty, even with very stringent measures, that we could have in strategic and other nuclear arms control.

EFFECT OF SOVIET REDUCTIONS ON OTHER THEATERS

Senator **Inouye**. Do you believe that this initiative has affected Soviet capabilities to conduct simultaneously theater operation in Europe, the Far East, and Southwest Asia?

Dr. **Thomson**. With the cuts of 10,000 tanks and 8,500 artillery pieces, if these come out of combat units, this will have an effect on the ability to conduct simultaneous operations, although I haven't analyzed to what degree that would be the case. It depends on the details. Will cuts come in forward deployed forces in particular, those down in the Caucusus and in the areas opposite Iran?

Senator **Inouye**. And finally, do you believe that this initiative has affected the Soviets' capability to maintain control over Eastern Europe?

Dr. **Thomson**. Yes, sir; perhaps more so in the perception of East Europeans than is, in fact, the case. The removal of six divisions is an important political signal. Nevertheless, there will be plenty of Soviet units on the borders in the Soviet Union and plenty of Soviet units remaining in Eastern Europe to impose political control over Eastern Europe by military means if necessary. So, in actuality, it may not be much of a difference at this point. From a perceptual point of view, the East Europeans must be—and especially certain political circles in Eastern Europe must be interpreting this as a signal that the Soviet Union is loosening its grip on Eastern Europe.

This is a two-edge sword. On the one hand, we should welcome a loosening if, in fact, that is what is going to happen. But on the other hand, we don't know that is what is going to happen. And if it sets loose political forces in Eastern Europe that believe that there are now opportunities to assert independence and, in fact, that is not the case, we could be entering a more dangerous period as a consequence.

Senator **Inouye**. Thank you.

Senator Specter?

Senator **Specter**. Thank you, Mr. Chairman.

Dr. Thomson, there is a note in your testimony at page 6 that:

> It seems that the cuts were imposed by Gorbachev on the military, which is not left with the task of drawing the detailed implementation plan.

This may be somewhat at variance with what Dr. Steinbruner has testified about in terms of Gorbachev's policies implementing what were longstanding or Soviet plans for military cuts in any event.

GORBACHEV'S RELATIONSHIP WITH MILITARY

I have two inquiries on this. First, what is your evidentiary base for saying that the cuts were imposed by Gorbachev on the military? And second, if so, if it is supported by the evidence, what is the implication of that for Gorbachev's survivability if there is really disagreement with the military on this kind of an important issue?

Dr. Thomson. Well, Senator, there had been a number of articles in the military press warning about the dangers of cutting the Soviet forces all during 1988. Also, on the basis of some private conversations I had with some Soviets about how this cut happened and about what went up and what came down. I also interpret the Akromeyev resignation as one of protest. If it wasn't, the timing was dumb. So, I think that these were imposed upon the military.

But also it is important to point out they were imposed, that the speech did happen, and that the military must now follow through. They are in the process of feeding out the details as they go along. So, I think Gorbachev seems to have a firm grip over the military.

So, I don't see Bonapartism in the Soviet Union and I don't believe we are going to see any kind of military effort to oust Gorbachev. I think Gorbachev's problems, to the extent that they exist, are far broader than with the military.

Senator Specter. I would like to pursue your conclusion, Dr. Thomson, about not making any cuts in the military and how that impacts on the diplomatic and political efforts.

And I would like to compliment Dr. Zagoria on his excellent statement. I regret that I am not going to be able to stay to hear your testimony, but I would note the statement that you and I think accurately noting that Gorbachev is reviving, as you put, "the atrophied diplomatic instruments unused by former Foreign Minister Andrei Gromyko in order to increase, not to reduce, Soviet influence." So, it is perhaps as much, if not more so, diplomatic than military.

ALLIED RESPONSE

If we respond, Dr. Thomson, by simply saying to our allies we shouldn't cut, where do we end up on the diplomatic propaganda line? Don't we have to approach this issue with some subtlety and some sophistication to recognize what Gorbachev is doing and to deal with it in some way with some sort of a cut or some very strong reason why not to in the face of what we see our NATO allies really being interested in cuts? Or how do we respond to this diplomatically without really coming off very short on this important propaganda issue?

Dr. **Thomson**. Well, Senator, I haven't seen that the allies have been clamoring themselves for unilateral cuts, although I think there may be some yearning of the public for that, but I think the governments have not done so.

Senator **Specter**. Why do you say unilateral cuts?

Dr. **Thomson**. Well, no. I was just about to get to that. My position was we should stand on our position which calls for both sides to cut to equal levels of tanks and artillery and armored troop carriers. And I think that is a position that does include some Western cuts. I personally might want to look at that position a little bit in more detail to see whether or not it includes enough cuts or whatever. But the position does call for Western cuts.

So, I think we can stand up and say at this point, "Good, we welcome what has been done. We want to know more about it, of course. We are hoping that we will see more, and we have a proposal for how more might be done in concert with cuts on our side." You know, one has to be as subtle as one can be with the particular situation. That is the way it is.

Senator **Specter**. Thank you very much, Dr. Thomson. Thank you, Mr. Chairman.

Senator **Inouye**. Senator Johnston?

Senator **Johnston**. Thank you, Mr. Chairman.

SOVIET ATTACK IMPLAUSIBLE

Mr. Thomson, you state that you think a Soviet attack in Western Europe is implausible and would be even more implausible with these cuts. Why is it implausible in the first place?

Dr. **Thomson**. I stated not that an attack would be implausible, but that an attack mounted with short preparation time or short warning: that is, an attack mounted with only a few days of preparation on the Soviet side——

Senator **Johnston**. A surprise attack.

Dr. **Thomson** [continuing]. Would be implausible.

I have long felt that, sir, because this would be an extremely risky undertaking. This would be an undertaking with not completely ready forces, not reinforced from the Soviet Union because there would not be adequate time to build up a large force, and it relies on catching NATO completely off guard. Now, if it works, it's a disaster for us, but if it doesn't work——

Senator **Johnston**. Doesn't it bring on nuclear war?

Dr. **Thomson**. Well, it could. It could easily, but of course they might hope that they could win so quickly that they could forestall the possibility of nuclear use.

Senator **Johnston**. Is that plausible?

Dr. **Thomson**. I think if it worked, yes, I believe that is plausible. Yes, if it worked. My point about it is it carries such risk because if it does not work, the attack plan of the Soviets would be in terrible jeopardy. I believe it is un-Soviet to take that kind of a risk. The Soviets have relied——

Senator **Johnston**. Is it Soviet to think about nuclear war?

Dr. **Thomson**. It sure is Soviet to think about nuclear war, yes, sir. And nuclear weapons remain a powerful deterrent to any kind of attack, whether they be short-warning or longer warning attack—our nuclear weapons.

Senator **JOHNSTON**. Are you saying that there is a substantial risk of a surprise nuclear attack by the Soviet Union?

Dr. **THOMSON**. No, sir; I didn't say that. I said, first, I didn't think there was much of a risk of a surprise conventional attack by the Soviet Union because of the dangers in it for them. And I believe there is not much of a danger on a day-to-day basis today of a Soviet surprise nuclear attack, in Europe either, for the same reason because such an attack would have to go together with a conventional operation. But I think there is a danger of a nuclear attack, but surprise is the issue I'm dealing with.

AVAILABILITY OF M1 TANKS

Senator **JOHNSTON**. An unrelated question. We are now producing M1 tanks at the rate of 60 a month. Could we get those in Europe in time to participate in a conventional war in Europe?

Dr. **THOMSON**. We can get our—again, it depends very much on the scenario. We can get our forces from the United States to Europe, those which have prepositioned equipment, the——

Senator **JOHNSTON**. I'm talking about the M1 tanks.

Dr. **THOMSON**. The ones that are in the United States. It would take a long time, maybe a month. You have to send them by ship.

Senator **JOHNSTON**. By that time, it is probably decided, isn't it?

Dr. **THOMSON**. I would sure rather have them there faster. Not probably decided, but it could be.

TAX CUTS

Senator **JOHNSTON**. Another question, Mr. Thomson. If we read the President's lips, we can't have taxes. If we read the CBO's figures, we have to cut $30 billion to $40 billion on top of FSLIC and atomic cleanup, and we have to build a space station and other things, which means that we may have to come up with $40 billion or $50 billion in additional revenues or in additional budget cuts. And suppose the House, as rumor has it, cuts defense, say, down to $285 billion outlays or that order of magnitude, and we find that that we sort of have to go along with that. What would you think about those cuts and where should they be made in your view?

Dr. **THOMSON**. Senator, that's a very large question that requires a very large answer that I am really not prepared to deal with at this point.

I will say that Dr. Steinbruner's point about overseas deployments is an important one. If you are looking for early savings in money, you are not going to get them by taking forces out of Europe unless you disband those units immediately.

Senator **JOHNSTON**. Well, you could bring the units back to the United States and disband something in the United States if they are our best units.

Dr. **THOMSON**. Sure. You could displace them at some location over some period of time. Sure, as long as you disband forces——

Senator **JOHNSTON**. There are places to put them in the United States without disbanding them.

Dr. **THOMSON**. As long as you disband forces, that's true.

I am hesitant to answer——

Senator **Johnston**. Don't you really think you could save an enormous amount by relocating them in the United States? That way you could bring some of those dependents home.

Dr. **Thomson**. I really don't know how much it costs us to keep dependents there.

IMPACT OF DEPENDENTS ON DEFENSE ABILITY

Senator **Johnston**. This has been a very well-kept secret. Up until this last year when we required that they display what it cost by account to keep all those dependents there, it wasn't required that they tell us. We haven't gotten the information yet, but it will be forthcoming this year.

Would you care to talk about what those dependents and civilians do in terms of helping our combat ability to defend?

Dr. **Thomson**. I will comment on that to the extent I have knowledge. And this goes back to my time on the National Security Council staff in the late 1970's and when we had, as you may recall, a very serious problem with our forces in Europe, morale problems. And they didn't have enough money. The dollar was weak. They had a lot of drug problems. The soldiers couldn't afford to bring their families over. And we found that it was a worthwhile step to help our young soldiers bring over their families and that it boosted their morale. Those steps were the beginning of turning around the problems that we had in Europe with our soldiers at that time.

So, while I also agree with the point you made earlier, that in a war scenario these dependents are a problem—and I fully agree with that—it also is important for the morale of our troops there today.

COMBAT ABILITY VERSUS MORALE

Senator **Johnston**. Well, what is more important? Combat ability or morale in peacetime?

Dr. **Thomson**. Well, morale in peacetime contributes an awful lot to deterrence because if the adversary sees that we have forces which are well-trained and performing well in their exercises and who have a good reputation, this——

Senator **Johnston**. Morale is pretty good in Korea, isn't it?

Dr. **Thomson**. In Korea I think we have a shorter rotation.

Senator **Johnston**. Exactly.

Dr. **Thomson**. That's right. And in Europe I think we need unit cohesion a little bit more. Short-term rotations I don't think are so good.

Senator **Johnston**. Thank you.

Senator **Inouye**. Senator Kasten?

Senator **Kasten**. Mr. Chairman, thank you.

MONITORING AND VERIFICATION

I was interested in what you said about monitoring and verification and how it relates to the statement you made describing how "the West's understanding of Warsaw Pact force structure and force levels is painstakingly built over many years. If our data base is thrown into chaos, it will be very difficult for the West to resolve for itself the questions that I have just discussed."

You also said that personnel ought not to be part of any of these different kinds of negotiations because they are, if I understood you properly, practically impossible to properly monitor. You didn't say the same about conventional weapons. But we have problems in monitoring and verifying there too.

A number of us feel that there are already problems with the INF monitoring process in terms of on-site inspection and particularly the different kinds of agreements and different kinds of abilities to monitor what is really going on.

Could you describe for us (1) what would be a strong enough monitoring and verification system for conventional weapons; and (2) what the elements of that system would be in order for us to be confident that the cuts are being made in a balanced way, as opposed to taking all of the old equipment out of storage? Moreover, what should we be looking for as we watch this over the next couple of months and years, and what kinds of additional monitoring and verification abilities do we need in order to be more certain of what the Soviets are really doing?

Dr. THOMSON. Yes, I will, Senator, to the extent I can get into this in open session. But I think I can say something.

It is important to recognize that our understanding of Soviet and Warsaw Pact conventional forces is built in quite different ways than our understanding of Soviet strategic forces. After all, one can count silos. It is much more difficult to count tanks, to count artillery, certainly to count people by the techniques we must use. Therefore, it is necessary for us over a period of time, by using the sources and methods available to us, to build up a total picture of the order of battle and table of organization of the Soviet armed forces which doesn't involve us counting every individual weapon.

Therefore, to monitor, the monitoring regime has to be sensitive to the fact that this is how we understand the structure of the other side's forces, and that means the monitoring regime needs first and foremost to have a detailed exchange of information about the order of battle and its tables of organization with respect to the forces that have been included for reduction—tanks and artillery and so forth.

So, for example, just to take it to its detail level, that they would tell us that such and such division contains 15 tank battalions and those tank battalions are located in these locations, and they have these many tanks. And we could build up a summation of the whole armed force—the total picture as the other side sees it. And we could check this against our data.

Now we also need inspection rights, which I haven't analyzed in detail to understand how many inspections we need, to supplement our own sources and methods so that if one comes to the point of discrepancies between our estimate of their forces and what they, in fact, claim, we can go have a look. And we can do that on a random basis, a short notification basis, and go into these units and count what is there. This means all the way back to the Ural Mountains. This is a very intrusive verification regime that I am talking about.

Moreover, it is important to remember that even if we did that, we wouldn't know on that particular day exactly how many tanks they had in toto. We would still be working by inference. We wouldn't be able to go count 50,000 tanks. And that is the crucial difference between conventional arms control and nuclear arms control.

This poses a political challenge for us because the verification procedures that we have been used to in nuclear arms control are to really try to get the numbers right down to the last one, and then we sort of argue about whether or not we're off by 1 or 2 percent. But in this area, we won't have that same ability even with a very stringent regime to monitor to that kind of degree of certainty. So, we have to ask questions about—I hate to use the term—what is adequate verification and how are we going to get it.

Senator Kasten. Thank you, Mr. Chairman.

Senator Inouye. Thank you very much.

Senator D'Amato?

STATEMENT OF HON. ALFONSE M. D'AMATO, U.S. SENATOR FROM NEW YORK

Senator D'Amato. Well, Mr. Chairman, I am just going to ask that I might be permitted to submit a statement for the record.

But let me take this opportunity, Mr. Chairman, to welcome you as our new chairman to the committee. You join a very distinguished line of Defense Subcommittee chairmen. And I have enjoyed having the opportunity to serve with you during your stewardship and chairmanship of the Foreign Operations Committee, and I certainly look forward to working with you in your stewardship of this committee.

And I think our Nation, indeed, is fortunate to—the administration is fortunate having someone of such accomplishment and such a sense of fairness and fair play and who is always interested in doing what is best for this Nation first and puts the interest of our Nation before that of the partisan politics that too often becomes involved in our deliberations.

So, Mr. Chairman, again let me say how pleased and privileged I am to be a member of this committee with you as the chairman.

[The statement follows:]

Statement of Senator D'Amato

Mr. Chairman, I offer a warm and sincere welcome to this committee's newest chairman. Senator Inouye, you join a very distinguished line of Defense Subcommittee chairmen. Having served under your leadership as chairman and ranking Democrat on the Foreign Operations Committee for 8 years, I am well aware of your capacity to understand and address the issues as well as your abilility to reach a consensus. I look forward to working with you, Mr. Chairman, as well as the returning and new members of this committee.

I welcome our witnesses today. Focusing on the initiatives of General Secretary Gorbachev is an appropriate beginning of our committee hearing schedule. The U.S. strategic modernization programs begun in the early eighties had their genesis in the tremendous Soviet military buildup of the 1970's. In direct response to the rapid growth of Soviet military power, the Reagan administration, with a mandate from the electorate, worked hard to rebuild our defenses, and I believe they have for the most part been successful.

After three Soviet leaders, the Soviet Union seems to be changing its stated defensive posture. For over a year, General Secretary Gorbachev talked about a defense of Soviet Union based on "reasonable sufficiency." It was not until December 7 that any concrete proposals were offered. Before the United Nations, Gorbachev announced to the world his intention to reduce the size of the Soviet forces in Eastern Europe by 500,000 men and 5,000 tanks.

Mr. Chairman, Mr. Gorbachev's United Nations speech was a significant boost for improved East-West relations. In an effort to improve relations in East Asia, Gorbachev is also proffering initiatives to gain stature in the Pacific. It would be premature, however, for the United States to respond in-kind to the Gorbachev initiatives until it is clear that these initiatives will be carried out.

If the Gorbachev proposals are genuine, I believe that the United States would be in a position to respond accordingly. I believe that there is room to cut our costs abroad, much as we were able to reduce our domestic costs through the base closure initiative. We must be very careful, however, not to let cost savings alone determine our role overseas. As the threat to our interests is reduced, we can reduce our military presence, but we cannot reduce our commitment to freedom around the world.

We have 340,000 troops in Western Europe and 137,000 in the Pacific, 48,000 in South Korea alone. These troops are of political as well as military significance. Any attempt to reduce our presence militarily must be coupled with an effort to increase the defensive commitment of our allies. I believe, however, that our allies are unprepared to pull their share of the defense burden.

One example, Mr. Chairman, of the reluctance of our allies to pull their fair share is the recently concluded FSX-fighter deal between United States and Japan. Japan could have bought from the U.S. the most highly advanced fighter in the world, for a savings of roughly $6 billion. Instead, the Japanese insist on building their own fighter, at a cost of $9 billion, with U.S. technology. In essence, Mr. Chairman, while we spend billions of dollars toward the defense of Japan, stationing nearly 50,000 troops there, Japan wants us to provide them with the aerospace technology, so they can build a new fighter aircraft of their own, capable of competing with the United States at some inevitable time in the future.

Sometimes, Mr. Chairman, I think the United States has "welcome" indelibly written on its forehead.

I look forward to the testimony of our witnesses. Throughout the hearing process this year, the Soviet threat will play an important role in defense budget decisions.

Thank you, Mr. Chairman.

Senator INOUYE. As always, you are very generous. I thank you.

POSSIBLE SOVIET ADVANTAGE THROUGH RESTRUCTURING

Dr. Thomson, is it possible for the Soviets to implement this initiative in restructuring the reduction and come up with a proposal to better maintain or even improve their capabilities to threaten NATO?

Dr. THOMSON. Perhaps. If you take my unfavorable assumptions that I highlighted—that they removed basically old artillery that came from the rearward areas of the European Russia that we don't care much about, if they focused their removal of tanks on the oldest tanks and also cut them from the units or from storage basically in the rearward areas, then all we are really left with is the withdrawal of the six divisions from Eastern Europe and the 5,000 tanks.

And I guess it's possible to see them restructuring the remaining divisions in Eastern Europe. I think by definition all the remaining divisions in the Soviet army, along a somewhat different line emphasizing less armor, much more balance between armor and infantry, continued very heavy artillery holdings. The Soviets have built up artillery enormously in the last two and a half decades. This would be a mobile force still capable of producing substantial offensive capacity.

Now, I don't know whether that is actually a better force. I think that requires more analysis, but one can construct unfavorable assumptions about the nature of this cut that could lead you to the conclusion that not much at all has changed to the benefit of the West.

Senator **Inouye**. In other words, Mr. Gorbachev can say I did what I promised and still come out with possibly a stronger force?

Dr. **Thomson**. Yes, sir; possibly stronger because it also could be more ready because as they reduce the equipment levels and if they take the manpower cuts he is talking about from rear area service support. It is interesting to note, for example, the number of men they have identified to reduce from Eastern Europe doesn't add up to me. It should be a much larger number. And it indicates to me that the remaining forces in Eastern Europe will be more ready in manpower levels than the ones there now.

I'm not saying he is going to do this, but I think your point is correct—one can construct by a series of assumptions a scenario by which this comes militarily to almost nothing.

UNITED STATES RESPONSE TO GORBACHEV INITIATIVE

Senator **Inouye**. How would you rate the response on the part of the United States and NATO to Gorbachev's initiative? Has it been appropriate—good, bad, weak, strong?

Dr. **Thomson**. Well, I think the response has been about right. First, he is obviously seeking to make an important political gesture and we should welcome it. And I think anybody who doesn't do that is committing political suicide with respect to managing the problem of the Western Alliance.

I don't think we have done an adequate job in explaining the nature of our military problem and what it is we need to see it fixed, in particular the fact that we defend a territory and that it takes a certain minimum amount of force to do that and that we cannot cut willy-nilly when they do. We have a minimum requirement just to defend that front. And I don't think we have done a good job of explaining that even before the Gorbachev speech. And I think that puts us in a bad position in reacting to these cuts because it leads people to call for a reciprocal, equal kind of cuts that I think could put the West in serious jeopardy, until we know much more about the Soviet Union's ultimate political intentions.

Senator **Inouye**. In response to a question by Senator Johnston relating to M1 tanks, you indicated that it may take about a month to send these tanks to NATO. Do we have enough ships to carry these tanks?

AVAILABILITY OF SHIP TRANSPORT

Dr. **Thomson**. Well, with a combination of us and our allies. The important thing here is allied shipping. There's a lot of allied shipping, and it is committed to NATO. So, if it is available, there's a lot of ships.

The important point here I would make, Senator, is that the POMCUS Program to preposition the equipment for our units is an important program and it needs to be completed because that lets us get units into Europe very quickly. And if we ever meet the objective, we can have 10 divisions in 10 days. Now, that has a powerful deterrent effect on the Soviets. For deterence, forces that can get to Europe fast are more important than the forces in the

United States. Forces in the United States are important for a training base and the like.

Senator INOUYE. I asked that question because I was chairman of the Merchant Marine Committee when the Israelis got involved in the Yom Kippur War. At that time there was a grave urgency. The supplies were running out faster than anticipated and we had to resupply them. We needed ships, and we found that the few ships we had were not available because they were on high seas. And so, we called upon American citizens who have ships registered in other lands and we asked them to help us carry goods to Israel. And when the Arabs found that out, they sent word that they would look upon this as an unfriendly act and as a result, no ships were available. As a result, we flew in the goods by C5's, and as you know, a couple of them got buzzed. It's a good thing those who buzzed the ships were not good marksmen, otherwise something else could have happened there.

I don't know if we do have enough ships.

Dr. THOMSON. If I could make one more comment on that. I am glad to hear you raise it. I am surprised to be asked a question about it. I think it is a serious problem. You are absolutely right. And, of course, the number of American flag vessels has declined, and on any given day many are on the high seas. It is vital to get access to these allied ships. They have a lot of ships. If we have to do it on our own, it is going to take an awful lot longer than that month I just mentioned.

Senator INOUYE. One final question, just curiosity. In response to a question by Senator Specter, you used a word I have never heard before, "Bonapartism." What is that?

Dr. THOMSON. That is a reference to the military taking political power like Napoleon Bonaparte or, one might add, General Jaruzelski.

Senator INOUYE. Live and learn. Thank you very much, sir.

[The following questions were not asked at the hearing, but were submitted to Dr. Thomson for response subsequent to the hearing:]

QUESTIONS SUBMITTED BY SENATOR INOUYE TO DR. THOMSON

QUESTION: You emphasize that much more must be known about the underlying details of the Gorbachev initiatives before a concrete judgement can be reached about their military significance. As the initiatives are implemented in the next two years, how will we be able to monitor and verify whether the Soviets truly are converting their offense-oriented strategy and forces to a truly defensive posture?

ANSWER: I indicated in my testimony, the reductions that have been announced so far, are unlikely to lead to a truly defensive posture, but should move the Soviets in that direction. However, the uncertainties that remain leave it very unclear as to how far the cuts will take the Soviets. Using our own national means, we can probably learn most of what we need to know to assess the military significance of the cuts, but learning could take a very long time--perhaps many years after the cuts have been completed. Were the Soviets to provide us the opportunity for monitoring of the cuts and the force structure that exists after the fact, we would be able to make our assessment almost as rapidly as the cuts took place, depending, of course, on how comprehensive the monitoring was.

QUESTION: Are the military reductions and restructuring in the Gorbachev initiatives significant enough, if implemented fully, to permit NATO to re-examine its overall deterrent and war-fighting strategy or "flexible response"? If implemented fully, could NATO reduce the military forces and spending levels now seen as required to support this strategy?

ANSWER: I also indicated in my testimony that even under favorable assumptions the announced cuts will still leave the Warsaw Pact with a significant edge and the capacity to mount a large-scale offensive against the West. Therefore, they have not fundamentally changed the overall military situation in Europe, and as a consequence do not by themselves warrant a reconsideration of NATO's basic military strategy.

QUESTION: You state these initiatives have the potential to further reduce the Warsaw Pact's capabilities for a short-warning attack against NATO. Could you elaborate on why you reached this conclusion?

ANSWER: As I indicated in the response to Senator Bumpers' questions, I believe the plausibility of a "short warning" attack scenario has been reduced because--if the announced reductions are carried out--such an attack scenario would have greater risk for the Warsaw Pact than it does today. However, in my view, such a scenario was already quite implausible and is simply being made even more implausible as a consequence of the announced Gorbachev force cuts.

QUESTION: You highlight the political impacts of the Soviet initiatives but say NATO should respond by adhering to its new arms control proposal for deep mutual reductions instead of making unilateral cuts. Why do you think that this response is sufficient to deal with the political problems which could undercut European support for NATO conventional and nuclear modernization?

ANSWER: For political and economic reasons, the Soviets are obviously eager for force reductions. This is why they undertook the unilateral cuts in the first place. I think we can expect them to be quite forthcoming in the Vienna talks and move rather quickly toward NATO's position. An active negotiating process, and the prospects for an early deal, ought to bolster public willingness to support Western defense efforts and avoid undercutting the NATO position.

QUESTIONS: You stated that if the Gorbachev force reductions were taken against older tanks and artillery the "impact is nothing." If that is so, then why are these forces included in the force ratios and threat that the Department of Defense uses to assess the balance? Wouldn't the current balance be better depicted by eliminating this equipment from current force ratios?

ANSWER: The so-called bean-counting approach to assessing the balance has many drawbacks, a fact which has been discussed and noted by many analysts. Such assessments fail to account for almost all the factors that are important in conflict--the force structure, weapons quality, force readiness, unit cohesion, time to prepare, terrain, and so forth. My testimony was based upon analyses that seek to take at least some of these important factors into account. When that is done, the reduction of older tanks and artillery would be unimportant because the weapons are of low quality, and because they are mainly located in areas of the Soviet Union which do not pose an immediate threat on the Central Front.

QUESTIONS SUBMITTED BY SENATOR BYRD TO DR. THOMSON

QUESTION: In March of this year, the sixteen NATO and seven Warsaw Pact countries will begin negotiations in Vienna, Austria, aimed at reducing conventional forces in Europe. These new negotiations will focus initially on reducing tanks, artillery, and armored personnel carriers and will replace the talks on Mutual and Balanced Force Reduction (MBFR) that have been held in Vienna since 1973. The NATO countries will propose NATO and Warsaw Pact cuts in the armaments of conventional armed forces in Europe (CAFE) down to 95 percent of current NATO levels.

* Is the Western negotiating position adequate in view of Gorbachev's unilateral reductions and likely Eastern proposals for deeper cuts than those proposed by NATO?

* Should the West take any unilateral actions in response to the Gorbachev reductions?

* In what ways, if any, should the U.S. budget deficit influence the Western negotiating approach in the CAFE (Conventional Armed Forces in Europe) talks?

* If the Soviet Union is willing to "restructure" its forces in ways that emphasize their defensive characteristics and limit their offensive capabilities, should the West consider accepting deeper reductions and restructuring the NATO force posture as well?

* Even under the best of circumstances, negotiating reductions in CAFE could take several years. Should the West take what some have described as a "building block"

approach to the negotiations and attempt in the next year or two to reach agreement on cooperative monitoring and other measures that could be helpful in clarifying questions about the numbers and structuring of forces on both sides?

ANSWER: Basically, you have asked three questions. First, should the West be prepared to cut deeper than it has currently proposed? Second, should the West propose that the first stage of the negotiations concentrate on reaching agreement on cooperative monitoring and other so-called confidence building measures to help clarify the overall totals of major weapons on the two sides?

With respect to the first question, my own analysis indicates that the West cannot afford to go much below the levels contained in its current proposal--that is, 85 to 95 percent of the current NATO levels of tanks, artillery, and armored troop carriers-- even if the Warsaw Pact came down to the NATO levels as proposed by NATO. The reason is that cuts beyong these levels are liable to be destabilizing. The situation would be most stabilizing if the two sides had equal forces that were capable of providing a dense forward defense of the frontiers plus a reasonably sized reserve. In this circumstance, it would be hard, although not impossible, for the attacking side to succeed to back it up in case the forward defense failed. As the equal force levels of the two sides are reduced further, the ability of the defending side to both provide a dense forward defense and withhold some reserves becomes strained. This would increase the chance that the attacker would be successful in mounting a concentrated attack. The most stable point appears to be with equal forces of roughly the size of the current NATO force. Cuts well beyond that level are liable to create instabilities.

As you suggest, it may be possible for the sides to restructure their forces to emphasize the "defensive" elements over the "offensive" elements. A number of such concepts have been discussed in both West and East, but they are unproven, and a number of questions must be answered. For example, it is not clear that reductions of tanks and artillery and an emphasis on infantry, which is at the core of many of the so-called defensive defense proposals, would actually reduce the prospects for offensives. After all, infantry plays important offensive roles, as was demonstrated by Hitler's armies. Unfortunately, taking mobility away from infantry would not help because it would make the defensive infantry vulnerable to suppression attacks and would make it difficult for the defensive force to quickly "counter-concentrate" its forces to the point of an attack. In short, at this point, we simply do not understand the so-called defensive defense concepts well enough to be convinced that they provide a basis for deeper cuts.

Your second question is whether the West should take unilateral reductions in response to Gorbachev. As I indicated in my testimony, I believe this would be unwise. Our principal objective is to bring about a more stable balance in Europe. As I have already indicated, the West simply does not have much of a margin to cut. Eastern cuts help bring about stability because of the overwhelming size of the Eastern forces. Western cuts do not. Therefore, from the point of view of stability, it would not be wise for the West to respond unilaterally.

Moreover, it is not politically necessary to do so in order to get a conventional arms control agreement. Gorbachev appears anxious for an agreement because of the internal pressures in the Soviet

Union. We are better off to wait for those pressures to help produce an agreement than we are to try to gain one through unilateral cuts.

The third issue is whether we should take a building-block approach to the negotiations. So far, the Soviets have been moving rapidly toward the Western position. It therefore seems unnecessary to back away from the current Western approach because the Soviets are in the process of buying it lock, stock, and barrel. However, as the two sides move closer to agreement in principle, it does seem that the chief outstanding issues will be those involving the definition of the force elements to be reduced and the number of forces on each side once those definitions have been agreed. The two sides appear to have dissimilar views in both of these areas. In order to finalize an agreement, it may prove necessary to have an initial stage in the agreement in which the data bases of both sides are clarified. This would no doubt involve intrusive monitoring measures.

QUESTION: Nato has been moving toward a decision on a new missile to replace the obsolescent short-range nuclear Lance missile, under the auspices of the 1983 Montebello Decision which recommended modernizing NATO's nuclear arsenal while reducing the number of weapons in that arsenal. A decision to deploy a new nuclear missile in West Germany would have encountered strong domestic opposition even before the Gorbachev initiatives, and such a move has been opposed by West German Foreign Minister Genscher.

* What are the political pros and cons of moving ahead with a decision on the Lance replacement?

* Should the alliance wait to make decision until is has completed work on its "comprehensive concept" to govern NATO arms control and defense policies?

* Are there other nuclear systems, such as a Tactical Air-to-Surface Missile (TASM), which could perform the same role in NATO strategy as the Lance and be more politically acceptable than a land-based missile?

* Should NATO propose the elimination of all short-range land-based nuclear missiles of which the Soviet Union has many more than does the United States?

ANSWER: Allow me to answer this question by making some general points: First, as a matter of geography and the conventional force balance, NATO is doomed to rely on nuclear weapons for its security. Because of its geographical position, size, and military power, the Soviet Union is the dominant power on the continent of Europe. The U.S. balances this power, thereby providing for stability in Europe and freedom for Western Europe. But because of America's geographical position, it is necessary that America's principal contribution to the balance of power is nuclear weapons. It is hard to see how these essential facts can be changed in the future.

In order to balance the Soviet Union's geographical position and power, the American nuclear arsenal should provide for a combination of risk and credibility. The risk to the Soviet Union of starting any war should be high since the consequences of nuclear use could be awful for them. At the same time, it should also be credible that the United States would actually employ nuclear weapons in the defense of Europe. This combination is hard to achieve. Because nuclear war would be so awful, it's hard to believe that anyone would start one.

NATO has tried to create a combination of risk and credibility by possessing a varied nuclear force structure: at one extreme are forces that can strike the Soviet homeland, which thereby pose a great risk for the Soviets. At the other extreme are forces designed to affect the outcome of the immediate battle possessed by the commands that would conduct that battle. That these latter forces would be used in a conflict ought to be more believable to the Soviets than the use of nuclear forces directly against their homeland. The credibility of use for the second category increases the credibility of the first category, thereby squaring the circle.

The trouble with the second category is that these are short-range systems that would fall on or near the soil of the defended party--the Federal Republic of Germany. Whatever their deterrent value and the merits of the arguments that I have just made, such weapons are unlikely to be supported by large numbers of Germans.

Lance modernization should be seen in this context. It is a small but fairly important element of the overall structure of deterrence that I have just described. By itself, it may not be all that important so long as there are other systems, such as nuclear artillery, to provide for credible early use. In the overall scheme of deterrence, an air-delivered nuclear system, such as the TASM, probably provides greater capability, since it has the ability to strike deep, perhaps all the way to Soviet territory. But it cannot provide the same degree of credibility as can the Lance, since it is not under the command of ground force commanders.

It is important to note that the line of argument I have just laid out does not depend much on the Soviet possession of nuclear weapons, but rather on overall Soviet power and geographic position. For this reason, the United States should not propose the elimination of all short-range, land-based nuclear missiles since this would remove an important element of the balance of power on the NATO side without affecting the Soviet advantages one iota.

QUESTIONS SUBMITTED BY SENATOR BUMPERS TO DR. THOMSON

QUESTION: Would you agree with Phillip Karbes of the BDM Corporation that the Gorbachev initiative will lead to "militarily significant reductions" that would greatly reduce the threat of a surprise attack?

ANSWER: The reductions announced by President Gorbachev will reduce the plausibility of a "surprise" attack scenario. In such an attack scenario, the Warsaw Pact would seek to catch NATO off guard by taking the smallest possible time to prepare its forces for combat. Certain steps must be taken before the Warsaw Pact can undertake even a very small attack--forces must be brought to greater readiness, moved, etc. Even today, it might take the Warsaw Pact a few days to reach this minimal preparation. Therefore, the success of the attack would depend heavily on surprising NATO--hoping that NATO either would not notice the preparations or if it did notice, would be slow to react. The Gorbachev reductions, when implemented, would mean that it would take longer to reach this same level of attack preparation. The longer amount of time it takes, the greater the risk for the Warsaw Pact, and therefore in my view, the less plausible the attack scenario.

QUESTION: It is unuusal for one side to make unilateral reductions in its forces on the eve of talks aimed at limiting such forces (The "Conventional Armed Forces in Europe -- CAFE --" talks starting next month in Vienna). Why do you think they are doing this?

ANSWER: The Soviets seem to be motivated by a number of factors: First, the overall desire to reduce tensions with the West so that Soviet energies can be focused on internal problems. Second, the economic savings that would result from the overall reduction in forces--the freeing of manpower and the reduction of resources spent on military production. The third factor is probably political--a recognition that such cuts increase the perception of the Soviet Union as a benign power and therefore provide greater freedom of maneuver for Soviet foreign policy in the West. Of course, all these objectives could easily be achieved through negotiated force reductions as well. I think that Gorbachev decided to act now in recognition of the possibility that negotiations might be lengthy. He was probably unwilling to wait in order to obtain the benefits I have just mentioned.

QUESTION: The U.S. is facing some of the same internal pressures as the Soviet Union, though fortunately not as severe. Since cuts in the defense budget are likely, especially in personnel, wouldn't it be appropriate for us to announce cuts that we will end up making anyway and take some political credit for it, as Gorbachev has done?

ANSWER: I couldn't agree more. However, this seems to be something that is easier to do in an authoritarian system than in a democracy. Our decisionmaking process is so open that both the fact of cuts and the motivation for them are widely known and debated in the media well in advance of the decision. Thus, we can't easily claim that we are responding to Gorbachev when everybody already knows we are responding to our own economic pressures. In a closed society, it is far easier to take reductions for one reason and claim they were for another.

QUESTION: Some argue that the Gorbachev initiative is weakening NATO by making people believe that the Soviet threat is no longer serious. Others argue that the reduced threat strengthens the credibility of NATO's forces. Who is right?

ANSWER: Well, at this point, we don't know who is right since the answer lies in the future course of the Western political process. It is certainly true that if we maintain our overall force structure, its planned modernization, readiness, sustainability, and so forth as the Soviet forces are cut, the credibility of our forces will certainly increase. However, if the effect of these Soviet reductions is to cause the Western democracies to reduce their forces, then depending upon the exact size and nature of those reductions, the West has a very thin margin for cutting its forces, even if Soviet forces are reduced fairly heavily.

QUESTION: In a speech given in the Russell Senate Office Building last Monday evening, Dr. Otto Lambsdorff, the leader of West Germany's Center Party, the Free Democrats, denied that Germany was suffering from "Gorbomania," as he put it. Yet there seems to be growing opposition in Germany to the modernization of our short range nuclear missiles, the aging Lance. Germany's Free Democrat Foreign minister, Hans Dietrich Genscher, is notably cool on this, as are the Social Democrats as well.

Do you agree with Lambsdorff? What can the U.S. do to facilitate Lance replacement in the 1995 time period--if necessary--in Germany?

ANSWER: The Lance modernization program, in and of itself, is probably not all that important militarily. But the entire episode is deeply troubling for it indicates that the basic post-war security bargain may be breaking down. In essence, the bargain is that the U.S. has committed its money, its children, and indeed the very survival of the nation, to create a stable balance of power in Europe and thereby provide security to the national of Western Europe. On the other side of the bargain, the U.S. has a right to expect that the security arrangements that surround this commitment will be satisfactory to the United States. It appears that the Federal Republic, or at least some political factions in it, may be questioning this essential bargain. In this situation, the U.S. can only make clear the nature of the bargain and its view of what constitutes a satisfactory security arrangement.

QUESTION: Is there any chance that the Soviets might take some of the equipment that they are withdrawing and give it to client states like Angola or North Korea?

ANSWER: Of course, the Soviets can transfer equipment to their client states today, and they do. The numbers being reduced in the case of the Gorbachev announcement are so large that it appears to be unlikely that all these weapons could show up in the client states. Nevertheless, the cuts do provide a greater pool for the Soviets to draw on in order to make such transfers.

IMPACTS OF SOVIET PROPOSAL ON UNITED STATES, ITS ALLIES, AND OTHER NATIONS

STATEMENT OF DR. DONALD S. ZAGORIA, PROFESSOR OF GOVERNMENT, HUNTER COLLEGE, AND THE GRADUATE CENTER OF THE CITY UNIVERSITY OF NEW YORK

Senator **INOUYE**. And may I now call on Dr. Zagoria?

Dr. **ZAGORIA**. Thank you very much, Senator, for this opportunity to testify on this important subject. I, too, have submitted a fuller statement for the record which I will briefly try to summarize.

Let me say at the outset that I hope the number of Senators remaining in this hearing is not an indication of our relative priorities between Europe and the Pacific.

Senator **INOUYE**. Not at all, sir. I can assure you. In fact, you were invited because I didn't want the hearings to suggest that all we are concerned about is NATO and Europe. After all, our involvement is global.

Dr. **ZAGORIA**. Thank you, sir.

Senator **INOUYE**. Be assured.

BROADER POLITICAL IMPLICATIONS OF GORBACHEV INITIATIVE

Dr. **ZAGORIA**. I want to focus on the broader political implications of Mr. Gorbachev's initiatives in the Asia Pacific region since the details of the Soviet military cuts in the Pacific are still not clear, although Mr. Gorbachev has been quoted as stating that he intends to remove some 200,000 Soviet troops from the eastern regions of the U.S.S.R.

I think the broader political point is that under Gorbachev, the Soviet Union has greatly increased its efforts to improve relations with all the countries of the East Asian region, particularly China which has clearly received a very high priority. There has been a new diplomatic flexibility, frequent visits, promised unilateral force reductions, a drive for better trade links, an effort to join regional economic organizations, the virtual completion of a withdrawal from Afghanistan, pressure on Vietnam to withdraw from Cambodia, a variety of arms control proposals, and a determined effort to change the poor image of the Soviet Union in the region.

In a number of speeches, Gorbachev says he wants to lower the level of military activity in the Pacific, to help resolve regional tensions, to improve Moscow's relations with all the countries in the region, to advance multilateral cooperation, and generally to create a healthier situation.

There is, I would say, no euphoria about Gorbachev in Asia as there may be elsewhere, but his initiatives have certainly had an impact. A summit meeting between Gorbachev and Deng Xiaoping will take place early this year. This is the first such meeting between two top Soviet and Chinese leaders in 30 years.

And the Soviets are on their way toward improving their relations with all the countries in this important region. And they, in some, may well succeed in normalizing their relations with East Asia during the next few years.

Despite their perestroika at home, however, I do not believe the Soviet Union has become a status quo power, particularly in the

Pacific where it perceives itself to be at a great military and political disadvantage and where it continues to seek to undermine the American alliance system. Moscow, it seems to me, seeks to revive its atrophied diplomatic instruments in order to increase, not to reduce, Soviet influence abroad.

U.S. OFFERED CHALLENGE AND OPPORTUNITY

So, the new Soviet moderation offers both challenge and opportunity for the United States. The challenge arises from the fact that the moderation may actually result in a less aggressive strategy but a more effective and active diplomacy. The opportunity is to test the new Soviet diplomacy to see if there are ways to reduce tension in Asia that are in the common interests of both super powers.

Even if Moscow improves its relations with the Asia Pacific countries, it will remain at a considerable disadvantage in the Pacific. The United States, despite all the talk about decline, continues to be the predominant power in the region economically and militarily.

Several countries in the region are bound by treaty commitments, and almost all of them share an interest in maintaining a robust American presence in Asia in order to balance other close-in powers whom they fear most. The Soviet Union has only military power in Asia; it's economic relations are minimal. Its few allies in the region are poor, politically isolated, and without much influence.

Also, the extreme underdevelopment of Siberia and the inability of the Soviet economy to produce high-quality goods at competitive prices is almost certain to handicap any Soviet effort to develop more active economic relations with East Asia's market economies.

SINO-SOVIET RELATIONS

Now, despite these difficulties, Gorbachev has already scored some successes. I have mentioned a summit meeting with the Chinese. The deep freeze in Sino-Soviet relations is ending and a new stage in that important relationship is beginning.

I think a return to a 1950's type alliance, however, is out of the question, and I also think that even the development of an intimate and trusting relationship is unlikely. For years to come, China's two major concerns will be security and development, and in each of these categories, the Chinese will have much more to gain from the West than from the Soviet Union.

In the strategic realm, so long as the Soviet Union has the most powerful army on the Eurasian continent, keeps one-third of its nuclear weapons in the Far East, maintains a powerful Pacific fleet off of China's coast, and supplies arms to two of China's adversaries, India and Viet Nam, the Chinese will want to maintain stable relations with the West in order to balance Soviet power.

In the economic sphere, China conducts less than 5 percent of its trade with the Russians, whereas its trade with Japan and the United States and the other Pacific countries constitutes more than two-thirds of its foreign economic relations.

So, in sum, the Chinese for their own reasons will not move so close to Moscow as to jeopardize their relations with the West.

RELATIONS WITH JAPAN

For Gorbachev, I think reaching a modus vivendi with Japan will probably be his greatest single challenge in East Asia. He wants technological and financial assistance from Japan in order to develop Siberia. And he needs Japan's support if the Soviet Union intends to join the dynamic Pacific economy.

Gorbachev has taken a number of small steps to improve relations with Japan, including a new flexibility on the territorial issue, and a summit meeting between Gorbachev and the Japanese Prime Minister, Mr. Takeshita, seems likely later this year.

But even if Gorbachev is able to reach some kind of understanding with Japan, the two countries will continue to be adversaries. First, for various reasons I could go into, I do not think the territorial issue will be resolved. Second, a second constraint on Soviet-Japanese relations is Japan's firm alliance with the United States and the growing economic interdependence of the two countries. Third, at a time of plentiful oil and low energy prices, the Japanese have lost much of the appetite they once had for Siberian coal and gas.

And in any case, there is a long legacy of mistrust that is bound to inhibit any substantial warming of relations. The two countries have been at odds for most of the century. They have fought on four occasions in the past 90 years. They have yet to sign a peace treaty ending World War II. And more than any other country, in fact, in the Western Alliance, the Japanese are extremely cautious and skeptical about the changes in the Soviet Union under Gorbachev.

In Korea, the Soviets are increasing their military relations with North Korea while demonstrating new flexibility toward South Korea.

In Southeast Asia, the Soviets are pursuing a similar policy. While improving military and economic assistance to Viet Nam, they are urging Viet Nam to withdraw from Cambodia so that they can improve their relations with both China and ASEAN.

Improving bilateral relations with all the countries of the region is one general Soviet objective in Asia. Another is regional arms control and force reductions. In his speech at Krasnoyarsk, Mr. Gorbachev made a seven-point proposal on this. I won't go into the details. Let me simply say that so far the dominant reaction in the West to Gorbachev's arms control proposals for the Pacific has been one of skepticism.

Two American officials recently observed that the Soviet proposals were one-sided. Capping naval force levels, which is essentially what Mr. Gorbachev has in mind, would inhibit Japan from making greater contributions to its own defense. Freezing naval and air deployments in the region, they argued, makes more sense for the Soviet Union, which is a land-based power, than it does for the United States, which is a naval power relying on a strategy of forward deployment.

The Chinese and the Japanese also had some reservations, and I think there is a good deal of merit in many of these objections to Mr. Gorbachev's arms control proposals.

U.S. NAVAL PRESENCE IN PACIFIC

The basic fact, it seems to me, is that the Soviet Union seeks to overcome American naval superiority in the Pacific through naval arms control, just as NATO is now seeking to overcome Soviet superiority in Europe through conventional arms control. But the United States has little incentive to rectify the imbalance in the Pacific any more than the Soviet Union has a great incentive to rectify it in Europe.

Moreover, the United States has a vital interest in maintaining a robust naval presence in the Pacific in order to reassure its allies of its credibility and to help maintain regional stability. So long as the Soviet Union, North Korea, and Viet Nam retain huge land armies in Asia, the United States will be under pressure from its allies to continue to maintain visible naval and air superiority and a strategy of forward deployment.

An appropriate U.S. response to Gorbachev's proposals, it seems to me, would be to point out precisely why his arms controls proposals are one-sided and then to go on to suggest some ways of reducing tension in the Pacific that are in our mutual interests.

On the economic front, if the Soviet Union wants to join Asian economic organizations, it should first be required to furnish much more data about its own economy than is presently available.

FIVE-PART AGENDA TO CREATE MORE PEACEFUL SITUATION

On the security front, there should be few, if any, reductions in my opinion in the American conventional or nuclear presence in Asia and no change in the strategy of forward deployment that the United States has successfully pursued for the post-war period. There should, however, be a five-part agenda for creating a more peaceful situation.

First and foremost, there should be efforts to reduce regional tensions in Korea and in Cambodia especially.

Second, both super powers could engage in what I would call reciprocal unilateral restraint.

Third, I think it is time to hold a dialogue on naval doctrines at the highest levels so that they could explain their ocean bastion strategy to our admirals and we could explain our maritime strategy to them.

Fourth, I would like to see an exchange of data on defense budgets and force projections. As of now, almost all of the data on these issues come from western, not Soviet sources.

And fifth, the establishment of a more effective crisis management regime. And also we should be engaging in discussions with them for ways to end terrorism, an activity in which one of their client states, North Korea, has been prominently involved over the years.

There are, it seems to me, two basic advantages to be derived from such an approach. First, in terms of public diplomacy, we should not allow Mr. Gorbachev to appear as the peacemaker in

Asia and the United States to appear rigid and unimaginative. Second, we need to test Mr. Gorbachev to find out whether his peace proposals are simply one-sided or whether he is ready to address the legitimate security concerns of the United States and its allies in the region.

Thank you.

[The statement follows:]

STATEMENT OF DR. DONALD S. ZAGORIA, PROFESSOR OF GOVERNMENT, HUNTER COLLEGE, AND THE GRADUATE CENTER OF THE CITY UNIVERSITY OF NEW YORK

Gorbachev's Impact on East Asia and its Implications for U.S. Policy

by Donald S. Zagoria

Under Mikhail Gorbachev the Soviet Union has greatly increased its efforts to improve relations with the countries of East Asia, particularly China, but also Japan and South Korea, and with Southeast Asia, Australia and New Zealand. There has been a new diplomatic flexibility, frequent visits, promised force reductions, a drive for better trade links, an effort to join regional economic organizations, the virtual completion of a withdrawal from Afghanistan, pressure on Vietnam to withdraw from Cambodia, a variety of arms control proposals and a determined effort to change the poor image of the Soviet Union in the region.

In a number of speeches, Gorbachev says he wants to lower the level of military activity in the Pacific, to help resolve regional tensions, to improve Moscow's bilateral relations with all the countries in the region, to advance multilateral cooperation, and generally to create a "healthier" situation.

There is no euphoria about Gorbachev in Asia, as there may be elsewhere, but his initiatives have had an impact. A summit meeting between Gorbachev and Deng Xiaoping will take place early this year, the first such meeting between two top Soviet and Chinese leaders in 30 years. An informal dialogue between Moscow and Seoul has begun and both sides are anxious to improve economic and political relations. It seems likely that Moscow and Tokyo will reach some sort of modus vivendi despite their territorial dispute. And if Vietnamese troops withdraw from Cambodia, as Moscow is now urging Hanoi to do, a major constraint on Soviet relations with the member countries of the Association of Southeast Asian Nations (ASEAN) will be removed. The USSR and the Philippines have already agreed to a substantial increase in trade.

In sum, the Soviet Union may well succeed in normalizing relations with East Asia during the next few years. Despite its preoccupation with perestroika at home, the Soviet Union has not become a status quo power, particularly in the Pacific where it perceives itself to be at a great disadvantage. Moscow now seeks to revive atrophied diplomatic instruments unused by former Foreign Minister Andrei Gromyko in order to increase, not to reduce, Soviet influence in the region. Thus, the new Soviet moderation offers both challenge and opportunity for the United States. The challenge arises from the fact that the moderation may actually result in a less aggressive strategy but a more active and effective diplomacy. The opportunity is to test the new Soviet diplomacy to see if there are ways to reduce tension in Asia that are in the common interests of both superpowers.

Even if Moscow improves its relations with the Asia-Pacific countries, it will remain at a considerable disadvantage in the region. The United States, despite all the talk about "decline," continues to be the predominant power in the Pacific. It has presided in recent years over a vigorous expansion of trade, investment and growth among the East Asian countries. The United States has a highly effective ally in Japan which seeks to support, and not to challenge, U.S. leadership. The United States also has a number of other allies and friends in the Pacific, several of them bound by treaty commitments, and all of them sharing an interest in maintaining a robust American presence in Asia in order to balance other "close-in" powers which they fear most. By contrast, the Soviet Union has only military power in Asia; its economic relations are minimal, and its few allies in the region are poor, politically isolated and without much influence. The Soviet Union is also at a disadvantage because it is still regarded with suspicion virtually everywhere in the region. Moreover, the failure of Stalinist economics, which has become increasingly evident all over the communist world, has made the Soviet Union virtually irrelevant as an ideological model in a region consisting of the fastest-growing market economies in the world. Finally, the extreme underdevelopment of Siberia, a vast region with a tiny population and a weak infrastructure, will handicap any Soviet effort to develop more active economic relations with East Asia's market economies.

Despite these difficulties, Gorbachev's diplomacy has already scored some successes, especially with China. The Soviet leader has laid the groundwork for a summit meeting with Deng Xiaoping by showing more flexibility than any of his predecessors. There has been an acceleration of trade. Moscow and Peking are again referring to each other as "comrades" and offering positive assessments of each others' reforms. There has been substantial progress in resolving the border dispute. And the Soviets have promised to withdraw large numbers of their troops from the Chinese border. In sum, the deep freeze in Sino-Soviet relations is ending and a new stage is beginning.

A return to a 1950's type alliance, however, seems out of the question. Even the development of an intimate and trusting relationship seems unlikely. For years to come, China's two major concerns will be security and development, and in each category China has much more to gain from the West than from the Soviet Union. In the strategic realm, so long as the Soviet Union has the most powerful army on the Eurasian continent, keeps one-third of its nuclear weapons in the Far East, maintains a powerful Pacific Fleet off China's coast, and supplies arms to two of China's adversaries, India and Vietnam, the Chinese will want to maintain stable relations with the West in order to balance Soviet power. In the economic sphere, China conducts less than five percent of its trade with the Russians whereas its trade with Japan, the United States and other Pacific countries constitutes more than two-thirds of its booming foreign economic relations.

In sum, the Chinese, for their own reasons, will not move so close to Moscow as to jeopardize their relations with the West. The power balance in East Asia will not be substantially altered by a Sino-Soviet detente. A detente betwee the two great Asian land powers - if it leads to a Soviet withdrawal from Afghanistan, a Vietnamese withdrawal from Cambodia, less Soviet pressure on Pakistan, and a general reduction of tension in Asia - is in the West's interests, particularly so long as both Moscow and Peking are preoccupied with domestic reform and seek stable relations with all the Western powers.

The main impact of the Sino-Soviet detente will be on Moscow's Asian allies. North Korea and Vietnam will find it more difficult to pursue intransigent policies. Pressures will grow for North Korea to come to terms with South Korea and for Vietnam to accomodate itself to China and ASEAN. India, no longer certain of Moscow's unconditional support against China, will seek better relations with China, Pakistan and the United States. Thus, the Soviet Union's allies in Asia will be forced to reconsider some of their past policies, which could in turn open new opportunities for an astute American policy.

For Gorbachev, reaching a modus vivendi with Japan will be his greatest single challenge in East Asia. He wants technological and financial assistance from Japan in order to develop Siberia and he needs Japan's support if the Soviet Union intends to join the dynamic Pacific economy. Gorbachev has taken a number of small steps to improve relations with Japan. There is even some new Soviet flexibility on the territorial issue. And a summit meeting between Gorbachev and Japanese Prime Minister Noboru Takeshita seems likely later this year.

But even if Gorbachev is able to reach an understanding of sorts with Tokyo, the Soviet Union and Japan will continue to be adversaries. First, the territorial issue will probably not be resolved. The Soviets are unlikely to return the four disputed islands because they are of considerable strategic importance and because returning the islands to Japan would open a Pandora's box of irredentist aspirations at a time when ethnic tensions are already on the rise inside the Soviet Union. A second constraint on Soviet-Japanese relations is Japan's firm alliance with the United States and the growing economic interdependence of Japan and the United States. Third, the limitations of the Soviet economy combined with recent structural changes in the Japanese economy make it unlikely that economic relations between the two countries will improve rapidly. At a time of plentiful oil and low energy prices, the Japanese have lost much of the appetite they once had for exploring Siberian coal and gas reserves.

In any case, there is a legacy of mistrust that is bound to inhibit any substantial warming of relations. The two countries have been at odds for most of this century and have yet to sign a peace treaty ending World War II. More than any other country in the Western alliance, the Japanese are extremely cautious and skeptical about the changes in the Soviet Union under Gorbachev.

In Korea, the Soviets are increasing their military relations with North Korea while demonstrating new flexibility towards South Korea and urging the North to improve relations with the South. In Southeast Asia, the Soviets are pursuing a similar policy. While increasing military and economic assistance to Vietnam, Moscow is urging Vietnam to withdraw from Cambodia so that it can improve relations with both China and ASEAN. But the Soviets do not control either North Korea or Vietnam and neither Pyongyang nor Hanoi is prepared to come to terms with its adversaries unconditionally. North Korea has so far made only tactical gestures towards the ROK and it remains a bastion of Stalinism, xenophobia and ideological fanatacism. Whether all this will change after Kim Il Sung dies remains to be seen. Hanoi sees itself threatened in Cambodia by China and its Khmer Rouge allies. It is therefore unlikely that Vietnam will withdraw unconditionally from Cambodia and allow its PRK protege to be replaced by a genuinely neutralist government under the leadership of Prince Sihanouk. Thus despite Moscow's efforts to gain greater flexibility in Korea and Southeast Asia, the scope for expanding its influence may be limited by the recalcitrance of its allies.

Improving its bilateral relations, particularly economic relations, with all the countries of the region is one general Soviet objective in East Asia. Another is regional arms control and force reductions. In his speech at Krasnoyarsk, Gorbachev made a seven-point proposal: to freeze the level of nuclear weapons in the region; to invite all naval powers in the region to freeze naval forces; to have a multilateral discussion on reducing military confrontation in Northeast Asia; to eliminate U.S. military bases in the Philippines in exchange for Soviet withdrawal from Cam Ranh Bay; to discuss ways to prevent incidents in the open sea and in the airspace above it; to have an international conference for turning the Indian Ocean into a "peace zone"; and to develop a negotiating mechanism to examine these and other proposals.

So far the dominant reaction in the West to Gorbachev's [illegible] naval proposals for the [illegible] has been one of [illegible]. Two American [illegible] argued that the Soviet proposals were one-sided. Capping naval force levels, they said, would inhibit Japan from making greater contributions to its own defense. Freezing naval and air deployments in the region, they argued, makes more sense for the Soviet Union, a land-based power, than it does for the United States, a naval power which relies on a strategy of forward deployment. The Chinese and the Japanese were also skeptical. The Chinese are unlikely to accept a "freeze" of forces that leaves them at a considerable disadvantage. And the Japanese insist that the Soviet Union must adopt a more defensive posture in the

Far East, recognize Japan's legitimate security interest in its alliance with the United States and move toward some settlement of the territorial dispute to show that it is really interested in defusing regional tensions.

There is a good deal of merit in all of these objections to Gorbachev's proposals. The basic fact is that the Soviet Union seeks to overcome American naval superiority in the Pacific through naval arms control, just as NATO is now seeking to overcome Soviet superiority in Europe through conventional arms control. But the United States has little incentive to rectify the imbalance in the Pacific any more than the Soviet Union has a great incentive to rectify it in Europe. Moreover, the United States has a vital interest in maintaining a robust naval presence in the Pacific in order to reassure its allies of its credibility and to help maintain regional stability. So long as the Soviet Union, North Korea and Vietnam retain huge land armies in Asia, the latter two with Soviet support, the United States will be under pressure from its allies to continue to maintain visible naval and air superiority and a strategy of forward deployment.

An appropriate U.S. response to Gorbachev's Krasnoyarsk proposals would be to point out precisely why his proposals are one-sided and then go on to suggest some ways of reducing tension in the Pacific that are in everyone's interest.

On the economic front, if the Soviet Union wants to join Asian economic organizations, it should first be required to furnish much more data about its own economy than is presently [illegible] [illegible] example, become a contributor to Asian Development Bank projects? And, one it joins, will it use such organizations to exploit economic frictions between the United States and its allies, or will it seek to play a constructive role in the region?

On the security front, there should be few if any reductions in the American conventional or nuclear presence in Asia and no change in the strategy of forward deployment that the United States has successfully pursued for the postwar period. There should, however, be a five-part agenda for creating a more peaceful situation: reducing regional tensions; engaging in reciprocal unilateral restraint; holding a dialogue on naval doctrine at the highest levels; exchanging data on defense budgets and force projections;

and establishing an effective crisis-management regime. The superpowers should also discuss ways of ending terrorism, an activity in which North Korea has been prominently involved. And they should discuss means to prevent the further proliferation of nuclear weapons and missiles.

There are two basic advantages to be derived from such an approach. First, in terms of public diplomacy, we should not allow Gorbachev to pose as the peacemaker in Asia and the United States to appear rigid and unimaginative. Second, we need to test Gorbachev to find out whether his peace proposals are simply one-sided and self-serving or whether he is ready to address the legitimate security concerns of the United States and its allies in the region.

BIOGRAPHICAL SKETCH

Donald S. Zagoria has for thirty five years been a student of international relations with a particular focus on East Asia. He is the author of two books on Soviet policy in Asia, the editor of a third, and he is currently completing a book on Gorbachev's policy in Asia and its implications for the United States.

Dr. Zagoria's articles have appeared in Foreign Affairs, Asian Survey, The New York Times Magazine, The American Political Science Review and International Security, as well as in many journals in Asia. His research brings him to the Pacific at least two or three times per year and he has frequently been called as an expert witness by both House and Senate Committees. Dr. Zagoria served as a consultant for the Department of State's East Asia Bureau and for the National Security Council.

Dr. Zagoria has lectured on Soviet and Chinese foreign policy at most of the major American universities and he has made frequent speaking tours abroad. He has been a plenary speaker at several conferences on Asia sponsored by the National Defense University.

Dr. Zagoria studied at the Russian Institute of Columbia University when that institute first opened in the late 1940's and he took his Ph.D. from Columbia University in 1963. Since 1968 he has been professor of government at Hunter College and the Graduate Center of the City University of New York. He is also a fellow at the Research Institute on International Change at Columbia University and the Harriman Institute for Advanced Study of the USSR at Columbia. He is also an Adjunct Professor of Government at Columbia University.

For the 1988-89 academic year, Dr. Zagoria was named as the Whitney H. Shepardson Fellow at the Council on Foreign Relations. His most recent article, "Soviet Policy in Asia: A New Beginning?" was published in the year-end issue of Foreign Affairs, February 8, 1989.

Books: The Sino-Soviet Conflict (1962)
Princeton University Press, reprinted in 6 languages

Vietnam Triangle (1968)
Pegasus

Soviet Policy in East Asia (1982), editor
Yale University Press

The Gorbachev Factor in East Asia: Implications for U.S. Policy (forthcoming)

Senator **Inouye**. Thank you very much, Dr. Zagoria.

You stated that there isn't much euphoria—I think that is the word you used—in Asia as to Mr. Gorbachev's initiatives. And I believe most people will agree that there is greater skepticism expressed by Asians in general than one finds in Europe.

NATIONAL SECURITY POLICIES ENDANGERED

However, if I read the signs correctly—and I may be reading it wrong—I somehow sense that some of the Asian countries, especially our important allies—the Philippines, the Japanese and the South Koreans—may use this initiative as a pretext to undermine our national security policies, for example, on burden sharing, on porting of our ships. Is my observation correct?

Dr. **Zagoria**. Well, I don't think it is in the interest of the South Koreans to undermine our national security policies. I think that they do have an interest in establishing better economic and political relations with the Soviet Union, and they are exploring those possibilities. They are now exploring trade relations. They may build some hotels in Siberia. They are having an informal political exchange with the Russians. Their motive economically is not to become so excessively dependent on the American market, to diversify their market.

And politically I think there is also a domestic motive in South Korea. That is, at a time when they are democratizing and when there is a widespread perception in the country that in the past they have been too dependent on the United States, I think the South Korean Government is trying to gain an image of greater maneuverability in its policy.

But it is clear from their statements and from their actions, I think that the relationship with the United States remains the core of their security policy. The South Koreans understand geography I think. They are surrounded by communist countries—Russia, China and a very volatile North Korea. Plus their former colonial master is Japan. So, in terms of balance of power of politics, I think they have and will continue to have a very strong interest in maintaining the American presence.

As far as the Philippines are concerned, I think again there is an effort there to acquire more of an image of independence from the United States and even to, perhaps, exploit new trade and political relations with the Russians in order to drive a better deal on the base agreements with the United States. But again, I think the Philippines—and it is in the longer range interest of the Philippines to continue maintaining close security ties with the United States. That is my reading of the statements that have been coming out of Manila recently. And I would also note that according to public opinion polls in the Philippines, a substantial majority of the Philippine people want to maintain the American bases there.

Senator **Inouye**. What about the Japanese?

Dr. **Zagoria**. So far as the Japanese are concerned, as I have said in my statement, I think they are perhaps the most skeptical country in the whole Western Alliance about Mr. Gorbachev's initiatives.

The Japanese have a kind of—at least the Japanese Foreign Office and the Japanese Government have an obsession with their territorial issue, and essentially what they are saying to the Russians is that there can be not much progress on economics, which is what the Russians would like, unless there is movement on the territorial issue. The Japanese Foreign Minister said, after Mr. Shevardnadze departed from Japan recently, "We are not in a position to separate the territorial and political issues from economic issues." And I think that is going to continue to be the Japanese position.

The Japanese believe that they have the upper hand in dealing with the Russians now, that the Russians are weak, in desperate need of revising their economy, in desperate need of Japanese trade and technology, and that they ought to be paid a price, and the price is some movement on the territorial issue.

ALLIES RESPONSE RATED

Senator **Inouye**. I would like to ask the same question that I asked Dr. Thomson. How would you rate or assess our response and NATO's response to Gorbachev's December initiative? Have we done well? Are we doing it properly, or are we acting foolishly?

Dr. **Zagoria**. I don't think we have done as well as we could do. I think it is unfortunate that Mr. Gorbachev's recent initiatives have come at a time of a transition in the United States from one President to another. That may account for some of the lack of more diplomatic initiatives coming from our side. I understand, in fact, that a major speech on Asia was prepared for President Reagan before he left office, but that for various reasons, he declined to give it.

But I think the time has certainly come for a major statement. The world should not have the impression that only Mr. Gorbachev is trying to make peace in Asia. He has made now two major addresses on Asian peace initiatives, one is Vladivostok in July 1986, another at Krasnoyarsk just a couple of months ago, without any response from the United States except from an op-ed piece in the New York Times by two relatively junior officials. I don't think this is the way for a great power to conduct its business.

Senator **Inouye**. Dr. Steinbruner, do you think we have responded properly?

Dr. **Steinbruner**. Well, I think we have responded inadequately so far. I agree with what Dr. Zagoria just said. There have been two major speeches from Gorbachev with regard to Asia and silence from the United States. That is just not wise. It can be understood in terms of Presidential transition to some extent, but I think we ought to recognize that we have a problem in having ceded a great deal of political initiative to somebody who is using our principles to fashion an appeal that has very great worldwide resonance. We should not let that go on indefinitely.

FOCUS OF FOREIGN AND MILITARY POLICY

Senator **Inouye**. Do you believe that our policy—foreign policy and military policy—is to Eurocentric and we are not being sufficiently sensitive to what is happening in Dr. Zagoria's area?

Dr. **Steinbruner**. I think if you speak about our military policy, there is some inevitable tendency for it to focus on Europe because that is where the confrontation between the two military organizations is most acute. Fortunately, the military balance in Asia is a great deal more stable and less prominent.

If you speak about our overall thrust of security, which is a much broader notion than strictly military policy, yes, I do think that we are underestimating and underdeveloping the significance of Asia in that. Asia, in my view, is the model of the future of international politics, one in which alliance arrangements have less prominence. Economic interest and interaction associated with economic interest is much more prominent. And the military aspect of it is relatively well-disciplined. Force is present in the background without ostentatious offensive capability and without great day-to-day prominence, but having an important disciplining effect.

Basically I think that we can learn a lot from the pattern of politics that is emerging from Asia and use that to advance our own thinking about international politics generally.

Senator **Inouye**. Dr. Thomson, what do you think about that?

Dr. **Thomson**. I basically agree with what Dr. Steinbruner said. From the military point of view, it is inevitable that our policy will be oriented toward Europe since that is the place where the political issues were left unsettled after the war. That is the place where we and the Soviets have serious disagreements—there's a division of Europe. That's the place all the military power is. And that will inevitably lead to a orientation of all our security policy toward Europe without paying adequate attention to Asia. But on the military grounds, I don't feel that we are overdoing it.

Senator **Inouye**. Dr. Zagoria, do you believe that we are forsaking your area?

Dr. **Zagoria**. Well, I agree with what has just been said. I would just add that as someone who has followed East Asia for many years now, I do think that the American foreign policy elite generally and the American Government, the way it is bureaucratically organized, does put much more emphasis on Europe and much less emphasis on other parts of the world. And as a result, I think East Asia has been slighted. I am told that within the Pentagon, there is one-third of one person who spends his or her time on military technology to the East Asian region. The allocation of bureaucratic effort as between Europe and Asia seems to me to be disproportionate in terms of the stake that we have in the Pacific.

Senator **Inouye**. I'll ask the Pentagon, when it gets here, about that. I am from the Pacific, as you know.

SUBMITTED QUESTIONS

Gentlemen, I have been asked by members to be given the opportunity of submitting questions to the panel, and if it is OK with you, we will be submitting questions. I have a whole slew of them here for all three of you, and if I may, I would like to submit them to you and get your response to them.

[The following questions were not asked at the hearing, but were submitted to Dr. Zagoria for response subsequent to the hearing:]

QUESTIONS SUBMITTED BY SENATOR INOUYE FOR DR. ZAGORIA

Question. You recommend that in response to the Soviets there should be few if any reductions in the U.S. conventional or nuclear presence in Asia and no change in our forward deployment strategy. However, you suggest we should "engage in reciprocal unilateral restraint." Please explain what seems like a contradiction between these two recommendations and provide us with the types of U.S. restraint you are suggesting.

Answer. I am against force reductions in the Pacific but in favor of " confidence building measures such as increased transparency (data exchange), prenotification of exercises and dialogue between the American and Soviet navies over doctrines, deployment etc. As I say in my Foreign Affairs piece, I am also in favor of strengthening the Incidents at Sea Agreement. Under some circumstances; i.e., if the North Koreans were to agree to a reciprocal pullback of their troops from the DMZ along with a South Korean pullback, I would also favor a waiver of the Team Spirit exercises for next year. In sum, there are many ways of signalling prudence and desire to lower tension without reducing troops, naval presence, etc. The goal ought to be to reassure the other side that our force presence is not provocative.

Question. You suggest that the new Soviet diplomacy in Asia may force North Korea and Vietnam to reconsider some of their past policies, and you say this could open new opportunities for an astute American policy. What specific opportunities could be presented to us and what would be the specific components of the type of astute U.S. policy you suggest?

Answer. We should make it clear to North Korea and Vietnam that they could expect substantial economic benefits if there was real progress in the North-South Korean dialogue and in movement towards a Cambodian settlement.

Question. If fully implemented, are the military reductions and restructuring contained in the latest Gorbachev initiatives significant enough to permit the U.S. and its Asia/Pacific allies—principally Japan and Australia—to reexamine their overall deterrent and war-fighting strategy for the region? If fully implemented, could the initiatives permit us and our regional allies to reduce the military forces and defense spending needed to support this strategy?

Answer. The Soviets are reducing their excessive ground forces deployed against China. They are not reducing their substantial naval and air power directed against the U.S. and Japan. Although they have cut back on SS 20 missiles, they have deployed new SS 25 mobile missiles that can hit the same targets. Most important, the Soviet Union is a great land power and the United States is a great maritime power. Even after the reductions, the Soviet Union will remain the greatest land power in Eurasia and it will be allied to North Korea and Vietnam—two other formidable land powers. In sum, there are enormous asymmetries between our essentially naval and air power and our adversaries' land power. That is why we need to be very cautious about cutting back on forward deployment. For any regional arms control to be effective, there would have to be some tradeoff between land and naval power. But I doubt this is feasible. It is too complex. That is why I favor confidence building measures instead. I think it would be a mistake to expect that we can save a lot of money by cutting back our force presence in the Pacific. Only 15 percent of the budget goes to the Pacific as opposed to 50 percent for Europe. And our forces in the Pacific serve a variety of purposes besides deterring the Russians. They help deter the North Koreans, reassure the Japanese and others that we are determined to maintain the existing balance of power and to preserve peace and security in the region, that we are a reliable superpower, not one in decline, etc. If, over a period of years, there was substantial progress in Soviet-U.S. relations, in global arms control, in resolving the regional conflicts—Korea and Cambodia—then we could and should reassess our military strategy in Asia.

Question. You state that the Soviets still seek to undermine the U.S. alliance system in the Pacific. Presumably, this is one reason for suggesting a U.S. withdrawal from the Philippine bases in exchange for Soviet withdrawal from Cam Ranh Bay. Yet, you point out that Vietnam is worried about losing Soviet protection. Which nation—the US or the USSR—has more to gain and lose—militarily and politically—if this mutual base withdrawal occurs?

Answer. The Philippine bases are much more important to the United States than Cam Ranh is to the Soviet Union precisely because we are a maritime power. The Soviets might pull back unilaterally from Cam Ranh. That would be smart. It would make our position in Subic even more difficult.

QUESTIONS SUBMITTED BY SENATOR BUMPERS FOR DR. ZAGORIA

Question. Would you agree with Phillip Karber of the BDM Corporation that the Gorbachev initiative will lead to "militarily significant reductions" that would greatly reduce the threat of a surprise attack?

Answer. Yes, the Soviet reductions are such that they will lead to militarily significant reductions that would reduce the threat of a surprise attack. This is the new Soviet doctrine and it seems as if in Europe, at least, this is the way things are moving.

Question. It is unusual for one side to make unilateral reductions in its forces on the eve of talks aimed at limiting such forces (the "conventional armed forces in Europe—cafe" talks starting next month in Vienna). Why do you think they are doing this?

Answer. Even after the Soviet reductions, they will maintain a large advantage on the ground. They are doing it to make a virtue of necessity. Gorbachev needs to transfer resources from the military to the civilian economy if perestroika is to work. And it gives him the political and moral high ground in Europe.

Question. The U.S. is facing some of the same internal pressures as the Soviet Union, though fortunately not as severe. Since cuts in the defense budget are likely, especially in personnel, wouldn't it be appropriate for us to announce cuts that we will end up making anyway and take some political credit for it, as Gorbachev has done?

Answer. I would not be in favor of unilateral cuts for the U.S. As you point out, pressures on us are not as great as they are on Gorbachev. The Soviets have been spending 20 percent of their GNP on defense and their economy is in chapter 11. That is not our situation. We should use our newly acquired leverage to bargain over conventional cuts in Europe. In the Pacific, we should settle for "confidence building measures," not force reductions. Only 15 percent of the defense budget goes to the Pacific while 50 percent goes to Europe. We derive great political benefits from that 15 percent. And we should not forget that while the Soviet Union—even after the cuts—remains the greatest land power on the Eurasian continent—we are a great maritime power and need to maintain maritime superiority. Perhaps we can devise a naval strategy that will maintain that superiority at less cost—i.e. fewer carriers, etc. I would like to see a set of hearings on this. But I would not rush to cuts.

Question. Is there any chance that the Soviets might take some of their equipment that they are withdrawing and give it to client states like Angola or North Korea?

Answer. The Soviets are already supplying North Korea with several kinds of advanced weapons.

Senator INOUYE. I think that one should note the significance of this hearing. This is the first hearing of the Defense Subcommittee. Ordinarily we begin with the Pentagon. I think my predecessors have always done that. I have decided to take this route because I believe that the Appropriations Committee should be concerned with the policy element that is involved in our decisionmaking process. I believe that up until now this committee has been primarily concerned with weapons systems, dollars for troops, R&D, and we rely upon the Armed Services Committee to make policy. But I think as a U.S. Senator, all of us should be concerned with the policy implications of what we do here. And to highlight that, I decided to start the hearings on strictly policy. That is why the three of you are very important.

The attendance today should be noted by one and all. We had, I think, one of the finest attendances, but I am certain you know that we have a crazy system in the U.S. Senate. All of us have many committee assignments. I have at this moment four other committee meetings. I should be attending, but that is not the way it runs around here. All the others had to attend their meetings that they chair themselves.

So, with that, I would like to thank you for helping us today. Your contributions, believe me, will be very important because no matter what people say or do, Mr. Gorbachev's initiative of December will have an impact upon what we do here. That is why we wanted to hear from you first.

Hopefully, we will have a Secretary of Defense soon, and we will be hearing from him.

So, thank you for sharing your views with us.

SUBCOMMITTEE RECESS

The subcommittee will now recess until Tuesday, February 21, at 9 a.m. At that time we will hear a global overview from Admiral Crowe, Chairman of the Joint Chiefs of Staff. The Admiral will be followed by Army Gen. John Galvin, NATO Supreme Commander and Commander of the U.S. European Command, and General Galvin will discuss his priorities in the European theater.

So, with that, the committee will stand in recess until February 21. Thank you very much.

[Whereupon, at 12:10 p.m., Thursday, February 9, the subcommittee was recessed to reconvene at 9 a.m. Tuesday, February 21.]

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